File No. 610 (865/877)

Serial No. 242

Office of Foreign Trade Advisers
NOV 5 1912
DEPARTMENT OF STATE.

Despatch (with bracketed part omitted) and incl. copies to Am. Car Foundry Co, New York, and Vice Consul-General so informed, and his action in case approved,
Nov. 6, 1912.
File

INDEX BUREAU
NOV 4 1912
DEPT. OF STATE

AMERICAN AGENCY AND CONSULATE GENERAL

Cairo, Egypt, October 19, 1912.

883.77

Subject: Contracts for Railway Cars for the Egyptian State Railways.

FILED
NOV 7 1912

The Honorable,
The Secretary of State,
Washington:

Sir:

I have the honor to inform the Department that at the instance of J. Hug & Co., Cairo agents for the American Car and Foundry Co. of New York, I called upon Sir George Macauley, General Manager of the Egyptian State Railways, for the purpose of securing permission for the above mentioned company to submit bids for the supply of railway cars etc. now being asked for by the Egyptian Railways, as per copy of advertisement from the

1/ "Journal Officiel" enclosed.

It appears that the Egyptian State Railways will only accept tenders for supplies from certain specified builders, who have been invited by the Railways to submit bids.

I called Sir George Macauley's attention to the American Car and Foundry Co., and to their undoubted ability to supply the articles asked for according to the specifications. I submitted to him a copy of this company's export catalogue. After a careful examination of the catalogue and an investigation of the company through his information bureau, he finally decided to permit the company to submit bids for the supplies under adjudication, and furnished me with copies of the plans and specifications. I turned over the plans etc., to Messrs J. Hug & Co., who forwarded them, together with complete instructions, to the American Car and Foundry Co.

As the date specified for submitting the bids ( November 27, 1912) would hardly leave sufficient time for the American company to present the details of their tenders as usually required, I have arranged with Sir George Macauley to permit them to submit the amount of their bids by cable through their Cairo agents and to forward the necessary details by mail.

Omit

[As suggested in my despatch No. 241 of the 15th instant in regard to the Consolidation Coal Company, I would also respectfully suggest that the Department interest itself in the present matter and if possible bring pressure to bear upon the American Car and Foundry Company in order to induce them to estimate their bids at a sufficiently low figure which could reasonably be expected to assure success.

I cannot impress too strongly upon the Department the necessity for American success in tenders for Egyptian Government supplies. Success in this quarter would act as a very important advertisement for our general trade in this country, which now amounts to only 1.2 % of Egypt's total import trade.] Until we shall have secured a firmer foothold here it will be necessary for the American firms now offering tenders to the Egyptian Government to do the pioneer work, and to be willing to accept small profits in order to underbid our Continental competitors.

In this connection I may inform the Department that I intimated to Sir George Macauley that in view of the very friendly

friendly relations that exist between the English and American people I hoped that the bids of the American firms would be given carefull consideration and that I should like to see American companies securing a reasonable share of future contracts which heretofore have been largely secured by Continental firms. He replied that the awards for these contracts depended almost entirely upon the prices quoted, and that the Continental firms seemed more able to furnish the cheaper grade cars required by them, than other builders. I am led to believe from our conversation, however, that if the American firms can be prevailed upon to accept small profits for the present, their tenders will receive very favorable consideration. Their success now would probably act as an entering wedge for more remunerative contracts in the future.

I have the honor to be,

Sir,

Your obedient servant,

Paul Knabenshue

Vice Consul General in charge.

Copie

ADMINISTRATION

des Chemins de Fer et Télégraphes.

Fourniture de voitures et Wagons,-

L'Administration de Chemins de fer et Télégraphes de l'Etat Egyptien recevra jusqu'au 27 novembre prochain, à 10 heures du matin au plus tard, et à l'adresse du Directeur Général au Caire, des offres pour la fourniture des voitures et Wagons ci-après détaillés livrable conformément aux cahiers des charges dont un exemplaire a été envoyé à un certain nombre de maisons choisies parmi celles inscrites sur la liste officielle approuvée par l'Administration, pour la construction du matériel de ce genre, et qui ont été seules invitées à concourir, savoir:

| | nombre |
|---|---|
| Voitures à bogie de 1er et 2me classe, mixtes | 5 |
| " " de 2me classe | 10 |
| " " de 3me classe (dont cinq avec compartiment à freins) | 20 |
| " " salon | 2 |
| Fourgons à bogie avec compartiments à freins, poste et bagages | 5 |
| Voitures à bogie de 1re classe pour la ligne Louxor - Assouan | 5 |
| Voitures à bogie de 2me classe pour la ligne Louxor - Assouan | 4 |
| Wagons fermés, de 10 tonnes, à 4 roues | 120 |
| " " de 30 tonnes à bogie | 50 |
| Wagons cylindres, à pétrole | 40 |

Les offres doivent être faites sur les formules de soumission annexées aux cahiers des charges.

#

## Translation

## RAILWAYS AND TELEGRAPHS ADMINISTRATION

Supply of coaches and trucks:-

The Egyptian State Railways and Telegraphs will receipe up to the 27 of next November until 10 in the morning at the latest, at the address of the Director General at Cairo, offers for the supply of coaches and trucks hereunder described, delivered according to specifications, of which a copy was sent to a certain number of firms chosen from those registered on the official list approved by the Administration for the construction of material of this sort, and who have alone been invited to compete, namely:

| | number |
|---|---|
| Bogie coaches of 1st & 2nd class mixt, (both sexes) ---------------------- | 5 |
| Bogie coaches 2nd. class ----------------- | 10 |
| Bogie coaches 3rd. class (of which five are to have brake compartments) --- | 20 |
| Bogie parlor cars ----------------------- | 2 |
| Bogie baggage cars with brake compartments & compartments for mail & baggage -- | 5 |
| Bogie coaches 1st class, for the Luxor Assouan line ---------------------- | 5 |
| Bogie coaches 2nd class, for the Luxor Assouan line ---------------------- | 4 |
| Closed carriages of 10 tons with four wheels | 120 |
| Closed bogie carriages of 30 tons ------- | 50 |
| Petroleum tank cars --------------------- | 40 |
| total -- | 261 |

Tenders must be made on the forms for tender annexed to the specifications.

#

**Copie**

## ADMINISTRATION
## des Chemins de Fer et Télégraphes.

Fourniture de voitures et Wagons.-

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| | nombre |
|---|---|
| Voitures à bogie de 1er et 2me classe, mixtes --- | 5 |
| " " de 2me classe ---------------- | 10 |
| " " de 3me classe (dont cinq avec compartiment à freins) --------- | 20 |
| " " salon ---------------------- | 2 |
| Fourgons à bogie avec compartiments à freins, poste et bagages ---------------------- | 5 |
| Voitures à bogie de 1re classe pour la ligne Louxor - Assouan ---------------------- | 5 |
| Voitures à bogie de 2me classe pour la ligne Louxor - Assouan ---------------------- | 4 |
| Wagons fermés, de 10 tonnes, à 4 roues ---------- | 120 |
| " " de 30 tonnes à bogie ------------ | 50 |
| Wagons cylindres, à pétrole ------------------ | 40 |

Les offres doivent être faites sur les formules de soumission annexées aux cahiers des charges.

File No. 610 (865/877)
Serial No. 242

AMERICAN AGENCY AND CONSULATE GENERAL

Cairo, Egypt, October 19, 1911.

Subject: Contracts for Railway Cars for the
Egyptian State Railways.

The Honorable,
The Secretary of State,
Washington:

Sir:

I have the honor to inform the Department that at the instance of J. Hug & Co., Cairo agents for the American Car and Foundry Co. of New York, I called o, upon Sir George Macauley, General Manager of the Egyptian State Railways, for the purpose of securing permission for the above mentioned company to submit bids for the supply of railway cars etc. now being asked for by the Egyptian Railways, as per copy of advertisement from the "Journal Officiel" enclosed.

It appears that the Egyptian State Railways will only accept tenders for supplies from certain specified builders, who have been invited by the Railways to submit bids.

I called Sir George Macauley's attention to the American Car and Foundry Co., and to their undoubted ability to supply the articles asked for according to the specifications. I submitted to him a copy of this company's export catalogue. After a careful examination of the catalogue and an investigation of the company through his information bureau, he finally decided to permit the company to submit bids for the supplies under adjudication, and furnished me with copies of the plans and specifications. I turned over the plans etc., to Messrs J. Hug & Co., who forwarded them, together with complete instructions, to the American Car and Foundry Co.

As the date specified for submitting the bids ( November 27, 1912) would hardly leave sufficient time for the American company to present the details of their tenders as usually required, I have arranged with Sir George Macauley to permit them to submit the amount of their bids by cable through their Cairo agents and to forward the necessary details by mail.

As suggested in my despatch No. 241 of the 15th instant in regard to the Consolidation Coal Company, I would also respectfully suggest that the Department interest itself in the present matter and if possible bring pressure to bear upon the American Car and Foundry Company in order to induce them to estimate their bids at a sufficiently low figure which could reasonably be expected to assure success.

I cannot impress too strongly upon the Department the necessity for American success in tenders for Egyptian Government supplies. Success in this quarter would act as a very important advertisement for our general trade in this country, which now amounts to only 1.2 % of Egypt's total import trade. Until we shall have secured a firmer foothold here it will be necessary for the American firms now offering tenders to the Egyptian Government to do the pioneer work and to be willing to accept small profits in order to underbid our Continental competitors.

In this connection I may inform the Department that I intimated to Sir George Macauley that in view of the very friendly relations that exist between the English and American people I hoped that the bids of the American firms would be given carefull consideration and that I should like to see American companies securing a reasonable share of future contracts which heretofore have been largely secured by Continental firms. He replied that the awards for these contracts depended almost entirely upon the prices quoted, and that the Continental firms seemed more able to to furnish to cheaper grade cars required by them, than other builders. I am led to believe from our conversation, however, that if the American firms can be prevailed upon to accept small profits for the present, their tenders will receive very favorable consideration. Their success now would probably act as an entering wedge for more remumerative contracts in the future.

I have the honor to be,

Sir,

Your obedient servant,

Paul Knabenshue

Vice Consul General in charge.

File.

883.77

November 6, 1912.

American Car & Foundry Company,
New York City.

Gentlemen:

The Department encloses herewith, for your information, copies of a despatch and its enclosures from the American Agency and Consulate-General at Cairo, dated the 19th ultimo, reporting the action taken by the Vice Consul-General in obtaining for your company an opportunity to submit bids and tenders for the supplying of certain railway equipment to the Egyptian Railways.

I am, Gentlemen,

Your obedient servant,

For Mr. Adee:

WILBUR J. CARR.

Director of the Consular Service.

Enclosures:

From Agency & Consulate-General, Cairo,
No. 242, October 19, 1912.
Translation of enclosure in above.

O Y/M.

A true copy of the signed original.

O Y/M.

A true copy of the signed original. Mi

No. 151 November 6, 1912.

883.77

Paul Knabenshue, Esquire,
American Vice Consul-General,
Cairo, Egypt.

Sir:

The Department is in receipt of your despatch No. 242 of the 19th ultimo, reporting your action in obtaining for the American Car & Foundry Company of New York an opportunity to submit bids and tenders for supplying certain railway equipment to the Egyptian Railways.

In reply you are informed that your action in this matter has the approval of the Department and that the substance of your despatch has been communicated to the American Car & Foundry Company, New York City.

I am, Sir,

Your obedient servant,

For Mr. Adee:

WILBUR J. CARR.

O Y/M.y ELW

A true copy of the signed original. Mi

CONSULAR BUREAU,
NOV 11
RECEIVED

17
0

[illegible]
NOV 9 1912

AMERICAN CAR AND FOUNDRY COMPANY.

165 BROADWAY.

PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE.
ORDERS ARE ACCEPTED CONTINGENT UPON STRIKES,
FIRES, ACCIDENTS, DELAYS BY CARRIERS OR OTHER
CAUSES BEYOND OUR CONTROL.

INDEX BUREAU
NOV
9
1912
DEPT OF STATE

NEW YORK, November 8th, 1912.

FILE
G. E. S.

INDEX BUREAU
883.77/1

The Honorable
Director of Consular Service,
Washington, D. C.

Dear Sir:-

I have your letter of November 6th with enclosures showing the manner in which the Vice Consul General at Cairo obtained permission for us to bid on the Egyptian State Railways' inquiry, and we assure you that we appreciate his services in this matter, as we presume also do J. Hug & Company.

We are endeavoring to get in our quotation by cable and trust that it will be received in time and be accepted.

Please convey to the Vice Consul General, Mr. Knabenshue, our appreciation of his efforts in our behalf.

FILED
NOV 13 1912

Yours very truly,

F E Bloss

FEB-JB-2

Ass't. Secretary.

883.77/2

# AMERICAN CAR AND FOUNDRY COMPANY

JACKSON & SHARP PLANT

PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE.
ORDERS ARE ACCEPTED CONTINGENT UPON STRIKES, FIRES, ACCIDENTS, DELAYS BY CARRIERS OR OTHER CAUSES BEYOND OUR CONTROL.

CABLE ADDRESS, JACKSON, WILMINGTON.
CODES { LIEBER'S, WESTERN UNION, A I, A.B.C. OF 1883, COSMOPOLITAN, A.B.C. 5TH EDITION.

INDEX BUREAU
NOV 13 1912
DEPT OF STATE

CSG H

CONSULAR BUREAU
NOV 15
RECEIVED

WILMINGTON, DEL. U.S.A. November 12, 1912.

Office of Foreign Trade Advisers
NOV 14 1912
DEPARTMENT OF STATE.

NOV 13 1912

Director of the Consular Service,
Department of State,
Washington.

Copied to Consulate-General, Cairo, Nov. 15, 1912

File-ECM

FILED
NOV 18 1912

Sir:

We have your favor of the 6th inst. to our New York office, with copies of a despatch and enclosures from the American Agency and Consulate-General at Cairo, dated October 19th. We have had from our Cairo representative, copies of the specifications, but at the moment do not have the drawings. We have cabled our representative there, Messrs. J. Hug & Co., calling their attention to the fact that the specifications require that the car bodies shall be delivered each complete and ready to mount on the trucks. That is to say, the cars instead of being completed and dissected for ocean shipment as is usually the case, are to be shipped across to Alexandria whole. In reply to this cable we are advised that they are not able to consider any modifications in the specifications. We are, therefore, prevented from tendering on this by this condition. These cars, particularly the passenger cars, are so large that they would have to be carried on deck, and any Trans-Atlantic steamer carrying cars of this sort would have to be a very large one. The larger steamers going into the Mediterranean from Atlantic coast ports all carry passengers, and it is out of the question securing any free deck sapce. This difficulty, therefore, as to shipment, is insurmoutable.

We are sending you this letter in duplicate thinking you will desire to pass a copy of it to the Consul General at Cairo.

We desire to express our appreciation of the assistance already rendered to us, and I am, Sir,

Your obedient servant,

District Manager.

In duplicate.

O /M.L. ELW

A true copy of the signed original. MC

AMERICAN CAR AND FOUNDRY COMPANY
JACKSON & SHARP PLANT

PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE.
ORDERS ARE ACCEPTED CONTINGENT UPON STRIKES,
FIRES, ACCIDENTS, DELAYS BY CARRIERS OR OTHER
CAUSES BEYOND OUR CONTROL.

DUPLICATE

CABLE ADDRESS, JACKSON, WILMINGTON.
CODES { LIEBER'S
WESTERN UNION
A 1
A.B.C. OF 1883
COSMOPOLITAN

CSG I

WILMINGTON, DEL. U.S.A.

November 12, 1912.

Director of the Consular Service,
Department of State,
Washington.

Sir:

We have your favor of the 6th inst. to our New York office, with copies of a despatch and enclosures from the American Agency and Consulate-General at Cairo, dated October 19th. We have had from our Cairo representative, copies of the specifications, but at the moment do not have the drawings. We have cabled our representative there, Messrs. J. Hug & Co., calling their attention to the fact that the specifications require that the car bodies shall be delivered each complete and ready to mount on the trucks. That is to say, the cars instead of being completed and dissected for ocean shipment as is usually the case, are to be shipped across to Alexandria whole. In reply to this cable we are advised that they are not able to consider any modifications in the specifications. We are, therefore, prevented from tendering on this by this condition. These cars, particularly the passenger cars, are so large that they would have to be carried on deck, and any Trans-Atlantic steamer carrying cars of this sort would have to be a very large one. The larger steamers going into the Mediterranean from Atlantic coast ports all carry passengers, and it is out of the question securing any free deck space. This difficulty, therefore, as to shipment, is insurmountable.

We are sending you this letter in duplicate thinking you will desire to pass a copy of it to the Consul General at Cairo.

We desire to express our appreciation of the assistance already rendered to us, and I am, Sir,

Your obedient servant,

District Manager.

In duplicate.

No. 4 November 15, 1912.

883.77/2

Paul Knabenshue, Esquire,
American Vice Consul-General,
Cairo, Egypt.

Sir:

Adverting to the Department's instruction No. 151 of the 6th instant, the Department encloses herewith, for your information, copy of a letter it has received from the American Car & Foundry Company, Wilmington, Delaware, dated the 12th instant, stating that the company will be unable to tender bids for supplying to the Egyptian Railways the equipment under consideration on account of the rigid specifications which require that the car bodies shall be shipped complete and ready to mount on the trucks.

I am, Sir,

Your obedient servant,

For Mr. Knox:

WILBUR J. CARR.

Enclosure:

From American Car & Foundry Co.,
Wilmington, Del., Nov. 12, 1912.

883.77/2
0 /M.Q. ELW

A true copy of the signed original. MC

AMERICAN CAR AND FOUNDRY COMPANY
JACKSON & SHARP PLANT

PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE.
ORDERS ARE ACCEPTED CONTINGENT UPON STRIKES, FIRES, ACCIDENTS, DELAYS BY CARRIERS OR OTHER CAUSES BEYOND OUR CONTROL.

CABLE ADDRESS, JACKSON, WILMINGTON.
CODES { LIEBER'S
WESTERN UNION
A 1
A.B.C. OF 1883
COSMOPOLITAN
A.B.C. 5TH EDITION.

INDEX BUREAU
DEC
13
1912
DEPT OF STATE

883.77/3

INDEX BUREAU

CSG BM

WILMINGTON, DEL. U.S.A. Dec. 11, 1912.

Office of Foreign Trade Advisers
DEC 14 1912
DEPARTMENT OF STATE.

Director of the Consular Service,
Department of State,
Washington, D. C.

Copied to Consul-General at Cairo, Dec. 16, 1912.
File.

FILED
DEC 17 1912

Dear Sir:

With reference to your favor of the 6th ult. to us at New York, enclosing copies of a despatch and its enclosures, from the American Agency and Consulate-General at Cario, these bearing date of Oct. 19th, we desire to express to your Department our appreciation for the opportunity of tendering. For some reason, the drawings were delayed in transit and arrived here November 27th, the day the prices were to be in at Cairo. For this reason, we were not in position to make a tender.

There was one further complication in connection with the matter, viz, these standard gauge cars were asked to be delivered boxed whole, ready to put in service without other work than taking the boxing off them. Each car, would, therefore, make a very bulky package, one approximately 11'0" x 12'0" x 70'0" long and while it is possible to transport cars in this manner across the Mediterranean, it is quite out of the question carrying them across the North Atlantic in this manner. There was an indication that we could, perhaps, at our own expense and risk, ship them knocked down, but the late arrival of the drawings precluded our making up prices.

We desire that the Consulate at Cairo should understand that our not tendering, was not caused by any circumstance over which we had any control.

Yours very truly,

Chas L Gawthrop

District Manager.

No. 4 December 16, 1912.

883.77/3

Peter Augustus Jay, Esquire,
American Consul-General,
Cairo, Egypt.

Sir:

Adverting to previous correspondence in reference to the opportunity afforded the American Car & Foundry Company of New York in the matter of submitting bids and tenders for supplying certain railway equipment to the Egyptian Railways, the Department encloses herewith, for your information, copy of a letter, dated the 11th instant.

I am, Sir,

Your obedient servant,

For Mr. Knox:

WILBUR J. CARR.

Enclosure:

From American Car & Foundry Co.,
Wilmington, Del., Dec. 11, 1912.

883.77/3

O Y/M. 4 Hall.

A true copy of the signed original. Mc

3 Jm
17

No. -

AMERICAN
DIPLOMATIC AGENCY AND CONSULATE-GENERAL.
CAIRO, EGYPT.

INDEX BUREAU
JAN 7 1916
DEPT. OF STATE

CONSULAR BUREAU,
JAN 28 1916
DEPT. OF STATE.

December 6, 1915

FILE, C. E. S.

DEPARTMENT OF STATE
JAN 8 1916
DIVISION OF
NEAR EASTERN AFFAIRS

Subject: Proclamation by General Maxwell, re:
Doubling of the State Railway line
between Zagazig and Ismailia.

Acknowledged (by card) by 3
Jan 25th FILE RBP.

INDEX BUREAU
883.77/4

The Honorable
The Secretary of State,
Washington.

Sir:

1/ I have the honor to enclose herewith a copy of "Journal Officiel" #113, of the 4th instant, containing a Proclamation issued by the General Officer Commanding in Chief His Britannic Majesty's Forces in Egypt, re: preparing the measures necessary of the expropriation of lands required for doubling of the State Railway line between Zagazig and Ismailia.

FILED
FEB 2 1916

I have the honor to be,
Sir,
Your obedient servant,

Olney Arnold

Agent and Consul-General.

Enclosure:
as above.

File No. 877.

# JOURNAL OFFICIEL

## DU GOUVERNEMENT EGYPTIEN

42me année — Samedi 4 Décembre 1915 (*Numéro extraordinaire*) — N° 113

# PROCLAMATION

## By the General Officer Commanding in Chief His Britannic Majesty's Forces in Egypt.

WHEREAS it has for military reasons been decided to proceed immediately with the doubling of the State Railway line between Zagazig and Ismailia ;

AND WHEREAS the Egyptian Government, in whom all lands taken for the purposes of such doubling will vest, are preparing the measures necessary for the expropriation of the said lands in due form of law, but it is impossible to complete such measures prior to the date at which possession of such lands is required ;

AND WHEREAS I am informed that in so far as the said existing line is adjacent to land in private ownership the existing boundaries thereof have been duly delimitated and marked by boundary posts and are, save in exceptional cases, accepted by the owners of the adjacent land ;

NOW, I, John Grenfell Maxwell, in exercise of the powers vested in me as General Officer Commanding in Chief His Britannic Majesty's Forces in Egypt,

HEREBY ORDER AS FOLLOWS :

1.—The State Railway Department is authorized to take immediate possession of any lands required for the purpose of doubling the said State Railway line between Zagazig and Ismailia.

2.—So far as the price of lands so taken shall hereafter be fixed under the provisions of the Laws as to the expropriation of land for purposes of public utility, whether by agreement or by decision of a court of law, the Mudir or Governor or the court is authorized and required to include in the price so fixed reasonable and proper compensation in respect of the occupation of such lands prior to the time at which possession thereof could have been taken under the provisions of such laws.

Such compensation may be in the form either of interest upon the capital sum payable or of payment for crops upon the ground or partly in one form and partly in the other.

3.—Every owner of land which is being taken for the purposes above-mentioned, and every person interested in such land, who disputes the accuracy of the railway boundary marks or who desires to maintain that the land so taken is for any reason of greater value than the land immediately adjacent to it shall give written notice to the Mudir or Governor reserving his rights without delay and in any case not later than the 15th day of December 1915.

Cairo, December 4, 1915.

J. G. MAXWELL, Lieutenant-General,

*Commanding in Chief His Britannic Majesty's Forces in Egypt.*

**GOD SAVE THE KING!**

---

# PROCLAMATION

## De par l'Officier Général Commandant en Chef les Forces de Sa Majesté Britannique en Egypte.

Attendu que, pour des raisons militaires, il a été décidé de procéder immédiatement au doublement de la ligne des Chemins de Fer de l'Etat entre Zagazig et Ismaïlieh ;

Attendu que le Gouvernement Egyptien, auquel reviendra la propriété de tous les terrains qui seront pris pour le dit doublement, prépare actuellement les mesures nécessaires en vue de l'expropriation des terrains précités en bonne et due forme, mais qu'il est impossible de compléter ces mesures avant la date à laquelle est requise l'entrée en possession des terrains en question ;

Attendu que pour autant qu'il s'agit des limites des terrains privés adjacents à la ligne actuellement existante, il me revient qu'elles ont été dûment fixées et bornées et que, sauf de rares exceptions, les limites sont acceptées par les propriétaires des dits terrains adjacents ;

En conséquence, Je, John Grenfell Maxwell, en vertu des pouvoirs dont je suis investi en ma qualité d'Officier Général Commandant en Chef les Forces de Sa Majesté Britannique en Egypte,

ORDONNE CE QUI SUIT :

1.—L'Administration des Chemins de Fer de l'Etat est autorisée à prendre immédiatement possession de n'importe quel terrain nécessaire au doublement de la ligne précitée entre Zagazig et Ismaïlieh.

2.—Relativement aux prix des terrains ainsi pris et qui seront fixés par la suite conformément aux dispositions de la loi relative aux expropriations pour cause d'utilité publique, soit à l'amiable, soit par décision de justice, le Moudir, Gouverneur, ou tribunal intéressé, est autorisé à inclure dans le prix ainsi établi une compensation raisonnable et appropriée pour l'occupation des terrains dont il s'agit avant l'époque à laquelle on aurait pu en prendre possession par l'application des dispositions de la loi précitée.

Cette compensation pourra prendre la forme soit d'un intérêt sur le montant fixé pour prix du terrain, soit d'une indemnité, pour les cultures sur pied, soit partie sous une forme et partie sous l'autre.

3.—Tout propriétaire de terrain exproprié dans le but susmentionné et toute personne intéressée dans le dit terrain, qui contesterait l'exactitude des bornes de la voie ferrée actuelle, ou qui désirerait soutenir que le terrain ainsi pris est, pour une raison quelconque, d'une valeur supérieure au terrain voisin, devra en informer par écrit le Moudir ou le Gouverneur, en réservant ses droits, sans aucun délai et en tout cas pas plus tard que le 15 décembre 1915.

Le Caire, le 4 décembre 1915.

(Signé) : J. G. MAXWELL, Lieutenant-Général,

*Commandant en Chef les Forces de Sa Majesté Britannique en Egypte.*

(*Traduction.*)

**GOD SAVE THE KING!**

([illegible]) ~~A~~ Copies sent to Com + Chamb of Com. ROH

GRC

CO

TA

DIRECTOR OF CONSULAR SERVICE
OCT 14 1919

INDEX BUREAU
OCT 14 1919
DEP'T OF STATE

CONSULAR BUREAU,
OCT 16 1919
DEP'T OF STATE
file

OCT 29 1919
Noted on Efficiency Record

No. 15

**AMERICAN CONSULATE GENERAL,**

**BEIRUT, SYRIA**, August 28th, 1919.

127120

**SUBJECT:** Contracts for supply of equipment for Egyptian State Railways.

Office of Foreign Trade Adviser
OCT 25 1919
DEPARTMENT OF STATE
file ROH

Ans Oct 1st

**THE HONORABLE**

**THE SECRETARY OF STATE,**

**WASHINGTON.**

INDEX BUREAU
883.77/5

**SIR:**

~~CONFIDENTIAL~~
Not for publication.

I have the honor to report as follows relative to my efforts to secure, while on leave of absence in America last spring, contracts for the supply of equipment for the Egyptian State Railways.

Filed
MAR 24 1920

Owing to the inability of the Egyptian State Railways to secure, during the war, new equipment for the maintenance of their permanent way and rolling stock, and to the fact that a large part of their already depleted equipment was utilized in the construction and operation of the military railroads constructed for the campaign in Palestine and Syria, they were in urgent need of a great variety of new equipment.

Formerly, supplies for the Egyptian State Railways were secured through international tender, the contracts usually going to British, Belgian, German, Austrian and French manufacturers. In view of the international situation after the war, it was practically impossible for any European manufacturers, aside from the British, to furnish the equipment needed, and it was possible that even the British would find difficulty in doing so. Consequently there seemed an excellent opportunity for American manufacturers to secure contracts for the supply of the equipment so much needed by the Egyptian State Railways.

I discussed the above situation at length with the General Manager of the Egyptian State Railways, in March last, before my departure from Egypt. In consequence thereof, he furnished me with a list of the equipment needed for the immediate future, together with certain plans and specifications. While I knew that there would undoubtedly be considerable pressure brought to bear by London to prevent the contracts being given outside Great Britain, I felt confident from my conversation with the General Manager that he would favorably consider American offers and accept those that would prove satisfactory as regards prices and compliance with his specifications.

Upon reaching Washington I discussed the matter with the Director of the Consular Service. Acting under his instructions and in cooperation with the Bureau of Foreign and Domestic Commerce, I received at the New York office of that Bureau, between May 6th and 14th 1919, representatives of a limited number of American manufacturers who had been invited to call upon me. I carefully explained the situation to these representatives in private interviews, and allowed them to take copies of the plans and specifications in my possession. Before leaving New York I sent to each representative who had called upon me a memorandum recapitulating the situation as I had explained it to them verbally. A copy of the memorandum is enclosed herewith. I am also enclosing a list of the manufacturers who called upon me during my stay in New York.

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~~CONFIDENTIAL~~
Not for publication.

Upon my return to Cairo en route to Beirut, I saw the Director General of the railways and gave to him the communications I had received from American manufacturers, and again discussed with him the subject of the supply of equipment from America.

I am very much gratified to be able to report that as a result of my efforts the Egyptian State Railways have placed an initial order for 50 locomotives with the Baldwin Locomotive Works, at a price which will reach apporximately $ 2,000,000.00. I enclose herewith in this connection a copy of a letter I have received from the General Manager of the Railways.

During a recent visit to Egypt, I saw General Sir George Macauley, formerly General Manager of the railways, and who is now Adviser to the new Ministry of Communications. In speaking of their order for the locomotives he stated that they also hoped to place orders in America with the firms whose representatives I had seen, for passenger and freight cars and other equipment.

I have the honor to be,

Sir,

Your obedient servant,

Paul Knabenshue

Consul in Charge.

CONFIDENTIAL

3 Enclosures: Copy of memorandum sent to American manufacturers.
Copy of letter received from General Manager,
Egyptian State Railways.
List of manufacturers who called upon me.

File No.: 877

PK/ak.

COPY.

# MEMORANDUM RELATIVE TO THE SUPPLY OF RAILWAY EQUIPMENT TO THE EGYPTIAN RAILWAYS.

~~CONFIDENTIAL~~
Not for publication.

Prepared by

Mr. Paul Knabenshue, Consul of the United States, formerly attached to the American Diplomatic Agency and Consulate General at Cairo, Egypt, (Charge d8 Affaires 1916 and 1917), now en route to reestablish the American Consulate General at Beirut, Syria.

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Owing to the inability of the Egyptian State Railways to secure, during the war, new equipment for the maintenance of their permanent way and rolling stock and to the fact that a large part of their already depleted equipment was utilized in the construction and operation of the military railroads constructed for the campaign in Palestine and Syria, they are at present in need of a great variety of new equipment.

Formerly, supplies for the Egyptian State Railways were secured through international tender, the contracts usually going to British, Belgian, German and French manufacturers. In view, however, of the present International situation it is practically impossible for any European manufacturers, aside from the British, to furnish the equipment neede, and it is possible that even the British may find difficulty in doing so at the present time. Consequently, there is now an excellent opportunity for American manufacturers of railway equipment to secure contracts for the supply of the material so much needed by the Egyptian State Railways.

I discussed the above situation at length with the General Manager of the Egyptian State Railways in March last, before my departure from Egypt. While there will undoubtedly be considerable pressure brought to bear by the British to prevent the contracts being given outside of Great Britain, I am confident that the General Manager will favorably consider American offers and will accept those tht are satisfactory as regards prices and compliance with his specifications.

Before leaving Cairo, the General Manager furnished me with a list of the equipment needed for the immediate future, copy of which is attached hereto. I will deal with the items separately in the order in which they appear on the list.

"A" 88 Locomotives, approximate tonnage, 8,800.

Specifications and drawings for four types of locomotives can be secured from the Bureau of Foreign and Domestic Commerce, 734 Customhouse, New York City. After an examination of such specifications and drawings it is desirable that the manufacturers forward their quotations to me c/o American Diplomatic Agency and Consulate General, Cairo, Egypt, which city I will reach about July 1st next, en route to Beirut. Upon receipt of such quotations I will present them personally to the General Manager of the Railways, who will, if satisfied, communicate directly with the manufacturers in question. If absolute compliance with all details of the specifications is impossible, a note of the fact should be made when writing me on the subject, and an explanation as to the substitute offered should be given.

"B" 160 Railway Carriages (passenger), approximate tonnage 3,200.

"C" 1800 Railway Wagons (freight cars), approximate tonnage 25,000.

Specifications for "B" and "C" can be secured from the above named Bureau, but unfortunately owing to my hurried departure from Cairo and through an oversight the drawings did not reach me. However, it is desired that American manufacturers of such rolling stock examine the specifications and write me, at the address given above, full details as to their ability to meet the specifications. If they are unable to comply with the requirements in any particular detail, note of the fact should be made together with suggestions for substitutes. Upon receipt of such communications I will personally present the matter to the General Manager of the Railways. If he is satisfied with such preliminary offers and accompanying proposals, copies of complete specifications and drawings will be sent directly to the manufacturer in question and upon receipt and further examination thereof they would be in a postion to cable quotations direct to the "General Manager, Egyptian State Railways, Cairo, Egypt, "

With the exception of item "G" (steel plates) and "I" (rails no specifications are given. In this connection, however, I should be informed, at the above address, as to manufacturer's base prices for their standard or stock sizes, etc. This information will also be given personally to the General Manager. In certain instances he might telegraph orders direct to the manufacturers for their standard sizes, etc., or he may telegraph or write asking for offers for the supply of such equipment according to certain specifications.

It is advisable that American manufacturers who desire to bid for the supply of equipment for the Egyptian State Railways should observe that competition with British firms will be encountered, both in respect to prices and because of political considerations. The success of any American bidder will depend upon his ability to comply with the specifications and upon the prices quoted. As a limited number of American manufacturers have been invited to bid for these supplies, there will also be competition among themselves. It is, therefore, hoped that in order that every advantage might be taken to secure for America this initial order, no attempt should be made to gain excessive profits. There is much future business to be secured with the Egyptian State Railways, and success in placing these first orders would materially facilitate our obtaining at least a fair share of such future business.

signed: Paul Knabenshue

American Consul,

Beirut, Syria.

|  |  | NUMBER. | APPROX. TONNAGE. |
|---|---|---|---|
| A | Locomotives | 88 | 8,800 |
| B | Railway carriages | 160 | 3,200 |
| C | Railway wagons | 1,800 | 25,200 |
| D | Fishbolts, Fishplates, Bearing Plates, Coach Screws, etc. |  | 2,457 |
| E | Spare parts for rolling stock other than Tyres |  | 200 |
| F | Bridge work and constructional steel-work of all descriptions |  | 18,000 |
| G | Steel Plates. Boiler quality )<br>" " ⅜" thick and over)<br>" " 3/16" to ⅜" )<br>" " under 3/16" ) |  | 1,000 |
| H | Galvanized and corrugated sheets |  | 50 |
| I | Rails 50 lbs per yard and over |  | 9,000 |
| J | Rounds, Square and Flats |  | 500 |
| K | Angles, Channels, Tees and Joists |  | 1,000 |
| L | Spring Steel |  | 125 |
| M | Tyres |  | 1,500 |
| N | Sleepers - wood (No) | 250,000 |  |

COPY

Cairo, 12th. August 1919

Dear Knabenshue,

Many thanks for your letter of the 7th instant enclosing a letter from the Consolidated Steel Corporation, of New York; I will send the letter to Sir Arthur Webb in London.

It may interest you to know that we are ordering 20 Passenger and 30 Goods Engines from the Baldwin Locomotive Works, Philadelphia, in accordance with their letter which you left on my table the other day.

I hope that as this is the first time they will be building to our Specification, they will put their best foot foremost.

Many thanks for the trouble you have taken,

Yours sincerely,

signed: R. B. D. Blakeny

P. Knabenshue, Esqre.,
American Consulate General,
BEIRUT.
Syria

# AMERICAN MANUFACTURERS OF RAILWAY EQUIPMENT WHOSE REPRESENTATIVES CALLED UPON MR. KNABENSHUE AT THE BUREAU OF FOREIGN AND DOMESTIC COMMERCE, NEW YORK, IN CONNECTION WITH THE PROPOSAL TO SUPPLY EQUIPMENT TO THE EGYPTIAN STATE RAILWAYS.

LOCOMOTIVES:-

The Baldwin Locomotive Works
American Locomotives Sales Corporation.

PASSENGER COACHES AND FREIGHT CARS:-

Pressed Steel Car Company
Standard Steel Car Company
American Car and Foundry Company
Cambria Steel Company

RAILWAY TIES:-

Cooney, Eckstein & Co., Incorporated.
The Barber Asphalt Paving Co.

MISCELLANEOUS: (Rails, wheels, spring plates, constructional steel, etc.)

American International Steel Corporation
Vulcan Iron Works
American Steel Export Company
Consolidated Steel Corporation,
    Representing:
        Cambria Steel Company
        Lakawanna Steel Company
        Betlehem Steel Company
        Midvale Steel Company.

No. 688                                        October 20, 1919.

Paul Knabenshue, Esquire,
American Consul in Charge,
Beirut, Syria.

Sir:

The Department has received your despatch No. 15 of August 28, 1919, with reference to the purchase for the Egyptian State Railways of American equipment, and has read your report with much gratification.

883.77/5

The Department takes this occasion to commend you for your active interest in this matter and for the results of your efforts. A suitable notation of the facts has been placed upon your record.

I am, Sir,

Your obedient servant,

For the Secretary of State:

Herbert C Hengstler

883.77/5

Co   JDJ.WAM

D.C.

A true copy of the signed original.

883.77

A7 9/12/4.15

All with encl {2 copies to Com (Dr. Robertson); 1 Chamb. of Com.; 1 Nav. Fin. Corp. "F"; 1 to Sh. Bd. R.O.H.

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SEP 13 1921

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# REPORT OF ANNUAL GENERAL MEETING
# EGYPTIAN DELTA LIGHT RAILWAYS LI[illegible]

DEPARTMENT OF STATE.
SEP 12 1921
DIVISION OF
NEAR EASTERN AFFAIRS.

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W.W.C.
file

From Consul

Gbw

AMERICAN CONSULATE, ALEXANDRIA, EGYPT, AUGUST 19, 1921.

INDEX BUREAU
883.77/6

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With the exception of the Egyptian Delta Light Railways the permanent railway systems of Egypt are owned and operated by the State and the enclosed report of the Annual General Meeting of the Company owning the Delta Light Railways should therefore prove of interest.

Filed SEP 20 1921 F

The report deals with the economic conditions in Egypt during the past year and clearly outlines the position of industrial enterprises in this country at the present time and predicts their future position for some years to come.

The report in question was published in the Egyptian Gazette of Alexandria on August 17, 1921.

DEPT. OF STATE
SEP 18 1921
ACKNOWLEDGED

Department of State,
file MMB
SEP 15 1921
Division of
Political Information

# EGYPTIAN DELTA LIGHT RAILWAYS LTD.

## REPORT OF ANNUAL GENERAL MEETING.

## INCREASED WORKING EXPENSES.

### FINANCIAL SITUATION OF EGYPT FUNDAMENTALLY SOUND.

The annual ordinary general meeting of the Egyptian Delta Light Railways, Ltd., was held on July 28 at Winchester House, Old Broad street E.C., Sir William E. Garstin, G.C.M.G., G.B.E. (the Chairman), presiding.

The Secretary (Mr. F. J. Horne) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—With your permission I will take as read the directors' report and the accounts therewith circulated for the year ended March 31 last.

I propose to explain the results of last year's working as briefly as I can.

The directors' report gives you full particulars as to the above. I will then confine my remarks to a mention of some of the more interesting figures contained in the accounts for last year.

Our earnings amounted to £496,084, an excess of £89,388 over those of the previous year, which were £406,696. The figure for 1920 established a record up to date, and this record has been passed in 1921.

Regarding the results from the point of view of our gross earnings alone, it must be acknowledged that 1921 has been a favourable year for our undertaking. There are, however, other aspects of the year's working which give cause for thought as regards the future. Of these the most serious is the heavy increase in our working expenses. I may say at once that this increase in our working expenses is due to causes entirely beyond our control; that is, to the situation produced by the war. If you consider this situation you will readily understand why our expenditure has thus increased. The economic conditions existing throughout the world and the abnormal rates of exchange prevailing everywhere have produced in Egypt, as in most other countries, a severe financial crisis. Large increases in the cost of living and in the prices of labour, materials and the necessaries of life have occurred in all countries. The result has been an almost complete stagnation of trade throughout the world. In the case of Egypt, the uncertainty regarding the political situation and the unrest still existing in that country have added to the difficulties of the position. It is unnecessary for me to tell you that in the case of any undertaking as a railway such conditions are distinctly adverse to its being worked upon profitable and economic lines. I feel sure that you will agree with me in thinking that, under the very exceptional circumstances that exist, the results of last year's working are the reverse of unsatisfactory. Nevertheless, as I have already said, there is reason for serious thought as regards the future, and, moreover, no one can foretell how long present conditions may last.

### EGYPTIAN IMPORTS AND EXPORTS.

To give you some idea as to the state of trade in Egypt, I will give you the returns of imports and exports for the first four months of 1921, as compared with those for the preceding year. In 1920 the imports for the period in question amounted to L.E. 28,990,000. In 1921 they were L.E. 23,209,000, a decrease of L.E. ,781,000. The exports for the same period show still more startling drop. In 1920 (from anuary to the end of April these were L.E. ,755,000. In 1921 they were L.E. 8,050,000, decrease of L.E. 47,705,000. These decreases e possibly largely influenced by the fall in ices—particularly of cotton—and by the rection in quantities, but even taking these tors into account they form a striking illustion of the state of Egypt's trade during the ly portion of this year.

could give you other instances, but I think above will suffice. It is obvious that an intrial enterprise like the Delta Railways must materially affected by any general and longtinued depression of trade in Egypt. The tness of money, due to such depression, ts at once upon such an undertaking, and [illegible]

—namely, the camel, the donkey and the boat. The general slackness of business last winter must also account in considerable degree for the falling-off of our coaching receipts during that period.

### COACHING AND GOODS TRAFFIC.

I will now give you comparative figures for our coaching and goods traffic for the years 1920 and 1921, although you have the figures before you in the directors' report. You will at once observe that although the goods traffic shows a decrease for last year, the passenger traffic shows an increase over the year previous. This fact may strike you as being at variance with the remarks I have made above. What I meant when I told you that our passenger earnings suffered last year was that had it not been for the setback last winter they would undoubtedly have been considerably greater.

The following are the figures:—In 1920 we carried 6,502,599 passengers of all classes and our receipts were £261,989. In 1921 we carried 7,389,149 passengers, with receipts amounting to £333,113. The increases last year were then: 886,550 passengers and receipts £71,124. 515,070 tons were carried on our lines last year as compared with 545,783 tons in 1920. The decrease was 30,713 tons.

In spite of this the goods receipts in 1921 show an increase of £18,076 as compared with 1920. This increase is due entirely to the increased rates charged for transport.

In comparing the variations of the chief commodities carried it will be found that building materials, coal, fruit and vegetables, all show increases in 1921, while cotton, seeds and manure all show decrease. The main decrease was, as I have explained, in cotton.

### EXPENDITURE.

The increase in our expenditure last year practically extended to every branch of the service. Increases occurred in maintenance, locomotives, rolling stock, traffic and general charges.

I have already explained that our expenses for the year were seriously affected by the exceptionally high cost of fuel, labour and materials of all kinds.

We were also obliged in 1920 to increase the salaries of our staff in all classes. I informed you of this fact last year and gave you the figures, but we only felt the full effect of the increased charges in 1921.

These increases were necessitated by the fact that the Government (including the State railways) had increased the salaries of all its services owing to the high cost of living. At that time, too, much unrest and agitation prevailed throughout the labour world, and in order to avoid the possibilities of strikes and discontent which would have seriously affected our working, we were obliged to increase the salaries and improve the position of our workers. That this was wise has been proved by the tranquillity which generally reigned among them during last year. I must impress upon you that these increases were just and could not have been avoided.

As the price of the ordinary requirements of life fell last winter to some extent, and as the Government set the example of reducing the war bonuses paid to its servants, we have followed suit and have somewhat reduced the bonuses that we were paying; a further reduction of the above will take place from October 1 next.

During the past year, although we, fortunately, had a portion of the materials in stock necessary for the working of our lines and for renewals, yet these stocks were very largely depleted throughout the years of war and we consequently were obliged to replace them at a cost of four times greater than the pre-war prices.

### FUEL SUPPLY.

Our fuel supply was, however, the main item in our last year's increase of expenditure. You will understand this when I tell you that the average cost of our coal last year was £8 17s 6d per ton, as compared with £6 7s per ton in the year previous. Our supplies were well arranged and our stocks were kept as low as possible, consistent with safety. It is satisfactory to know that, if all goes well, our average price for coal during the current year is not likely to reach £5 per ton, and we hope thus to save some £50,000.

We have incurred extra-ordinary revenue expenditure to the extent of some £30,000 during the past year. This figure, as well as the capital portion, are below what I fore-shadowed in my last year's speech. As soon as we realised that an economic crisis was likely to occur and that a decrease in our receipts was to be expected, we curtailed our expenditure for the year by drastic cutting down in order to [illegible]

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at any early date, to construct our system which, before the war, sidered with the Government.

At prevailing prices of labour a we could not reasonably hope for a tensions to be sufficiently remunerat rant their construction, and with rega required capital it would, I believe, ha practically impossible for us to raise it terms under existing conditions. Even as the case stands, it is, I admit, no easy matter to curtail our capital expenditure—a certain amount of which is unavoidable annually—to what we have available on this account. The Board, however, subjects such expenditure to rigid scrutiny and is determined that none shall be incurred that has not been proved to be absolutely unavoidable.

Fortunately the recent modifications in our concession provide that all expenditure upon capital account finds its place in what is described as our inventory, independent of the source from which the cost may have been defrayed. In other words, should we ever run short for capital and apply other moneys to its purposes, they become repayable to us if at any time our concession is terminated by the Government exercising its right to purchase.

### THE DIVIDEND.

We are now passing through a trying an difficult period, but industrial enterprises throughout the world are suffering similar difficulties. If we go cautiously and carefully f the present, as we are determined to do, I feel confident myself that we shall get through the bad times without serious trouble, and that when trade revives and prices fall we shall again be able to look forward to a prosperous future.

These considerations have influenced th Board in its decision to recommend the payme of the full dividend of 5 1/2 per cent. upon t Preference shares, carrying forward the sum £95,282 17s. 7d. I do not think that the Boa would have been justified in arriving at a other decision.

### DIRECTOR'S VISIT TO EGYPT.

One of our directors—Mr. E. W. P. Foster—visited Egypt last winter and spent some time there. He visited our lines and properties and had much useful discussion with the Government representatives on matters connected with our railways and our concession. Pending official confirmation of certain decisions which we understand have been arrived at, it is not advisable to do more than allude to the fact that many important questions were discussed between Mr. Foster and the Egyptian Government.

It is satisfactory to be told by him that the Government officials sufficiently recognise the difficulties with which we have had to contend and will doubtless be prepared to discuss matters again when times are more propitious. The Budget deficit naturally stood in the way of considering at present any relief or assistance which the Government might, under more favourable circumstances, be pleased to grant us. It is also pleasant to hear that the Government representatives, one and all, expressed to Mr. Foster their appreciation of the part that our railways have played not only during the war, but in the general industrial improvement of the country, and that they expressed their sympathy with the objects of our undertaking.

Another valuable result of Mr. Foster's visit to Egypt is that it has confirmed the fact—of which we had previously been told—that a closer examination of our road (during recent renewals) has shown that both our rails and sleepers are in a better state of preservation than we had any right to expect when judging them by their age. This gives us reason to hope that the cost of necessary renewals may be somewhat smaller than we had reason to fear—owing to the enhanced price of every kind of necessary material.

### THE STAFF IN EGYPT.

I, last year, when addressing you, bore testimony to the good work done by our staff in Egypt. I have again nothing but praise to give them for the way in which they have looked after our interests and carried out their work under very trying conditions.

Mr. Smith, our agent and general manager, has again proved his fitness for the important post he occupies by his firmness and tact and by the way in which he has won the confidence of his staff, Egyptians as well as Europeans.

These qualities constitute a great asset in times like the present, when unrest is prevalent and the agitators are at work. Mr. Smith's personality has largely tended to arrest trouble. In everything he has done he has [illegible]

which Mr. Dowson points out—namely, that the special remedial measures instituted by the Government to assist the small cultivators were taken little advantage of by that class.

I repeat that the financial situation of Egypt is fundamentally sound, notwithstanding the severe crisis through which the country has passed. I am convinced that, provided no political troubles arise, Egypt will weather the storm safely and prosperity will return to her sooner than is generally supposed.

You will observe that I have made the proviso that political difficulties shall not arise to trouble the country. About these I can, of course, say little, and it is not my place to hazard any opinion regarding the future in this respect. The horizon is still obscure, and a certain amount of unrest still exists in the country. The recent disturbances in Alexandria have proved this. These were quickly quelled, as you know, and did not extend to the provinces. Apparently no great damage was done to property in spite of the seriousness of the rioting.

With regard to the future, we must hope that the present visit of the Egyptian delegation to England may result in establishing a satisfactory solution of the future relations between the two countries, and that Egypt will be able to devote all her energies to the improvement and development of her agricultural [illegible]. Should this result ensue, an era of prosperity is assured to her.

### THE CHAIRMAN'S RETIREMENT.

I will conclude my remarks with a few words upon a personal matter. This is the last time that I shall address you as Chairman of your company. I have decided to retire from the chairmanship of the Delta Railways at the end of this year—that is, at the end of December next.

I regret very much that I have found this necessary, and I gave the matter long and careful consideration before I come to the above conclusion. I consider it indispensable that your Chairman should be able to visit Egypt annually and be able to confer personally with the representatives of the Government upon the different questions which must continually arise regarding our railways.

Previous to the war I visited Egypt regularly each winter. During the years of war I was unable to do so, as I had other work which [illegible]

ance of the railways in that state of efficiency required for the public service. If this is done, as I feel certain will be the case, and if political troubles in Egypt are averted, then I see no reason for any serious anxiety regarding the future. I will go further and say that, in my opinion, if the Board is able to maintain the ratio of expenditure to 61 per cent. of the gross receipts, the yearly returns will be safe, even though freights fall considerably, as they must one day do.

Should any shareholder wish to ask me questions I shall be happy to reply to them to the best of my ability.

### SHAREHOLDERS' VIEWS.

Mr. J. W. Cooper said he was sure the shareholders had all listened with a great deal of interest to the full and lucid speech of the Chairman on the working of the company during the past year, and he thought it would be generally admitted that the result was very satisfactory indeed, taking into consideration all the adverse circumstances. Last year the Chairman referred to the possibility of the claim against the Egyptian Government for compensation for damage done being considered or possibly met by this time, and he was wondering whether anything further had developed. He was sure they had all heard with the greatest regret that Sir William Garstin was contemplating retiring from the position of Chairman, and when he did so they could only wish him the best of good health for many years to come.

Colonel G. R. Westropp said he wished to join with the last speaker in expressing the profound regret of the shareholders at hearing the decision Sir William Garstin had arrived at to relinquish his position as Chairman of the company. He was sure they all realised the very great services which the Chairman had rendered to the company, and it was due to all of them to offer him their most grateful and sincere thanks for all he had done on their behalf. He thought there was every reason to try to economise in every possible way, and he hoped it would not be necessary to appoint another member, seeing the Board was already a large one.

Mr. H. C. Dean associated himself with the remarks of the previous two speakers, remarking that Sir William Garstin was an unrivalled authority on Egypt, and the loss to the company by his retirement would be very considerable [illegible] prices—particularly of cotton—and by the reduction in quantities, but even taking these factors into account they form a striking illustration of the state of Egypt's trade during the early portion of this year.

I could give you other instances, but I think the above will suffice. It is obvious that an industrial enterprise like the Delta Railways must be materially affected by any general and long-continued depression of trade in Egypt. The tightness of money, due to such depression, reacts at once upon such an undertaking, and when to this is added the high rates prevailing for fuel, labour and materials of all kinds, the position of a railway becomes very difficult indeed.

### SERIOUS SETBACK IN COTTON.

Moreover, our earnings last year were very materially affected by the serious setback in the price of, and in the demand for, cotton that commenced in November, 1920. As I told you in my last year's speech, the price of Egyptian cotton during the years succeeding the war soared to a height undreamt of by anyone. At one time, indeed, it touched the figure of nearly 8s the pound, or about ten times its pre-war price. The possibility of such profits naturally caused a great extension of the cotton area, and last year the biggest acreage ever known was planted with this crop. A wave of prosperity swept over the country. The cultivator had more money in his pocket than had ever been the case before, and the price of agricultural land soared sky-high. Serious observers viewed the situation with misgivings and predicted that a reaction was inevitable. This reaction, when it arrived, came with dramatic suddenness. Owing to the severe economic crisis ruling throughout the civilised world, the demand for Egyptian cotton practically ceased. The result was quickly evident, and the price of cotton fell sharply, at one time touching pre-war prices. The measure immediately taken by the Government caused a certain rise in prices, it is true, but this rise never approached in any degree the rates ruling during the boom. In consequence of the rise in the cost of labour and of living the cultivator was unable to make the profit on his cotton that had been possible to him previous to the war. His business ceased to be a remunerative one; instead of selling his cotton he stored it in the villages and in the "shoonas" provided by the local banks. In these stores a very considerable portion of last year's crop is still reported to remain; at all events, a large proportion of it has not yet reached Alexandria.

It is obvious that such a state of affairs must have seriously affected our earnings for last year. We always look upon the winter months, in which the transport of cotton takes place, as the most profitable period of our goods traffic for the year.

### TONNAGE OF COTTON CARRIED.

The directors' report gives you the tonnage of cotton carried by us last year—namely 76,831 tons. In 1920 we carried 142,041 tons, so that the decrease in tonnage for last year was 65,310 tons. Had we carried the same amount of cotton last year as we did in the previous year—which we had good cause for anticipating owing to the large area planted with this crop—our receipts, taking into account the rates now in force, would have been increased by over L.E. 40,000.

Our earnings felt the full effect of the recoil and fell some £26,000 during the last four months of the year as compared with the corresponding period of the year preceding it. Our passenger earnings also suffered from the same cause, as travelling by rail is immediately affected by any shortage of money. It is true that the cultivators had sufficient money available from the previous years of prosperity to enable them to pay their taxes without being forced to sell their cotton, and, as I have already explained, they stored it, hoping for an increase in the price, but their available cash was much less than it had been, and they consequently did not give themselves the luxury of railway travelling and possibly resorted to the old methods of transport for short distances

price for coal during the current year is not likely to reach £5 per ton, and we hope thus to save some £50,000.

We have incurred extra-ordinary revenue expenditure to the extent of some £30,000 during the past year. This figure, as well as the capital portion, are below what I fore-shadowed in my last year's speech. As soon as we realised that an economic crisis was likely to occur and that a decrease in our receipts was to be expected, we curtailed our expenditure for the year by drastic cutting down in order to meet the changed circumstances that we saw were impending. In spite of this curtailment, our revenue expenditure last year exceeded the ratio of 64 per cent. of our gross earnings by some £37,000.

I have tried to explain to you that this excess was entirely unavoidable and due to the causes that I have mentioned above. We have fair grounds for hoping, I think, that these causes, so adverse to our industry, will not be indefinitely maintained, and that each succeeding year will show an improvement and a fall in prices. Signs of such improvement are already visible, as prices in Egypt have begun to show a downward tendency. The ratio of 64 per cent. which before the war was agreed upon between the Government and ourselves as amply sufficient to meet our ordinary working expenses and at the same time enable us to further improve our property has been proved, under the exceptional and existing conditions, to be insufficient.

### CONTEMPLATED WORKS DEFERRED.

The position has caused the Board much thought and some anxiety. It has come to the conclusion that in the future the limit of 64 per cent. on the gross receipts must be rigidly adhered to, and has informed its agent in Egypt to this effect. Our agent and general manager has fully recognised the importance and the necessity of this decision, and we have his assurance that he will loyally work up to it. This will probably involve the abandonment of many of the improvements contemplated, or, at all events, their being carried out very gradually. In the future, until better times come, as I am convinced will come, we must confine ourselves strictly to maintenance and to such renewals and improvements as are absolutely indispensable.

I say that we have decided upon this point, but I, of course, cannot say that it will always be possible. For instance, our agent and general manager has informed us that he does not see how to avoid an excess of some £16,000 over and above the 64 per cent. ratio next year owing to commitments entered into before the crash came in Egypt. It is evident, of course, that the amount of the excess must depend upon what our gross earnings for the current year may be. Should our receipts not attain to the figure estimated by our agent, the excess would naturally be proportionately greater. His figure is based upon estimated gross earnings of £450,000. However this may be, you may rest confident that the Board intends, by all means in its power, to adhere to the ratio of 64 per cent. upon its gross receipts and not to pass it. Every fall in the price of labour and materials will assist us in this direction, and there are good grounds for hoping that before long we may be able to obtain our fuel supply at a rate that will enable us to work on a much more economical basis than has of late years been possible.

### CAPITAL REQUIREMENTS.

The position in regard to our capital requirements has been rendered easier by assurance that we are not likely to be called upon,

under very trying conditions.

Mr. Smith, our agent and general manager, has again proved his fitness for the important post he occupies by his firmness and tact and by the way in which he has won the confidence of his staff, Egyptians as well as Europeans.

These qualities constitute a great asset in times like the present, when unrest is prevalent and the agitators are at work. Mr. Smith's personality has largely tended to arrest troubles. In everything he has done he has been ably seconded by Colonel Marryat, our deputy manager, a gentleman of high technical attainments.

I would ask that the expression of your thanks should be conveyed to these officers and all the members of our staff in Egypt for the good service they have rendered and the results that they have succeeded in attaining in spite of such adverse conditions.

### THE FUTURE.

It is time, gentlemen, that I should bring my remarks to a conclusion, and I have really very little more to say. It is possible that you may consider from what I have said to you that I take a somewhat gloomy view of the future in Egypt, and consequently of the future of our enterprise. I can assure you that I do nothing of the kind. I still hold the conviction that I have always held—that Egypt has a prosperous future before her provided that political troubles do not arise and mar it.

She is passing, it is true, through a period of considerable financial difficulty, but this is due to the effects of the war, and she is only experiencing what every other country in the war is experiencing. That she will eventually surmount these difficulties there can be little doubt. Even as it is, her position is a strong one, and one that those directing the finances of other countries may well regard with envy. Mr. Dowson, the Acting Financial Adviser, in his most interesting Budget notes for 1921-1922, shows very clearly how fundamentally sound the financial position is. Egypt has not increased her debt during the war, but on the contrary, repaid a considerable portion of it. She has built a credit balance on the other side, and is in a position to withstand even such a severe shock as the present crisis has been.

Already there are indications of improvement in the situation. The prices of all food crops have fallen considerably, although the cost of production has not yet fallen in the same ratio, but even this last shows a downward tendency, as the price of labour is now much less than it was some months ago. It may be some time yet before the cost of production and the cost of the product fall into such a relation as will enable the producer to realise a profit, but this relation must inevitably arrive. A very encouraging sign lies in the fact that the agricultural population was able to hold its stocks of cotton without financial assistance from the Government. This is clearly shown by the fact

I consider it indispensable that your Chairman should be able to visit Egypt annually and be able to confer personally with the representatives of the Government upon the different questions which must continually arise regarding our railways.

Previous to the war I visited Egypt regularly each winter. During the years of war I was unable to do so, as I had other work which kept me in Europe. I shall be unable to visit Egypt in the future, as my health will not permit me to do so. I have therefore regretfully come to the conclusion that I must retire from the chairmanship, and I shall propose to do so at the end of this year.

It is now more than thirteen years since you did me the honour to elect me as your Chairman. During that period we have passed through times of considerable difficulty, but in every case we have been able to surmount our troubles, thanks to the generous confidence that you have continuously bestowed upon your Board.

I have no hesitation in saying that the present financial situation of our railways is immeasurably superior to what it was when I first assumed office. At that time the original concession was in existence, and had we not in 1913 been able to obtain our present revised concession from the Government there can be little doubt that, with the advent of the war, the company would have been in such difficulties that it is extremely uncertain whether it could have continued to exist.

With the new concession our prospects changed and, in the beginning of 1914, everything seemed to promise well, and we felt that we had every reason to anticipate a future of steady prosperity. The war, as you know, upset all our anticipations, and throughout those years of trouble all that was possible to us was to carry on and hold our own. This, happily we were able to do, but we are still suffering from the effects of that calamitous period and the heavy expenditure that it has entailed upon us.

### "NO REAL REASON FOR DEPRESSION."

There is, I maintain, no real reason for depression. For several years to come the Board will have to go very carefully and very cautiously, only embarking upon absolutely necessary expenditure and instituting rigorous economy in all directions consistent with the mainten-

sincere thanks for all he had done on their behalf. He thought there was every reason to try to economise in every possible way, and he hoped it would not be necessary to appoint another member, seeing the Board was already a large one.

Mr. H. C. Dean associated himself with the remarks of the previous two speakers, remarking that Sir William Garstin was an unrivalled authority on Egypt, and the loss to the company by his retirement would be very considerable. Referring to the Government's participation in the profits of the company, which he pointed out was nearly equivalent to the amount distributed this year in dividends, he expressed the hope that the directors would do their best to look after the shareholders' interests in this connection.

### COMPENSATION FOR DAMAGE DONE.

The Chairman thanked the shareholders for their kind expressions with regard to his impending retirement, and stated that 60 per cent. of the money claimed by the company from the Egyptian Government as compensation for the damage done to the property had been already paid, and they expected to get the balance very shortly. He agreed with what Colonel Westropp had said about not increasing the number of the Board. Every step would be taken to reduce expenditure in that direction.

The Chairman then moved:—"That the report of the directors, dated July 8, 1921, together with the statement of accounts and balance-sheet for the year ended March 31, 1921, be and they are hereby approved, confirmed and adopted."

Mr. Montagu Sharpe, K.C., seconded the resolution, which was carried unanimously.

The Chairman next moved:—"That a dividend of 5 1/2 per cent. for the year ended March 31, 1921, on the Preference share capital of the company, be and it is hereby declared to be paid to the holders of Preference shares standing on the registers of the company at July 8, 1921, and to holders of Preference share warrants to bearer."

Mr. W. Home, C.I.E., seconded the motion, which was unanimously agreed to.

The Chairman also proposed:—"That H.E. Scander Pasha Fahmy, one of the directors retiring by rotation, be re-elected."

This was seconded by Major W. I. Le Breton and passed unanimously.

On the motion of the Chairman, seconded by the Hon. W. B. L. Barrington, Mr. E. W. P. Foster, the other retiring director, was unanimously re-elected.

Messrs. Meredith and Co. were reappointed auditors of the company for the ensuing year on the motion of Mr. Cooper, seconded by Mr. Dean.

A hearty vote of thanks to the Chairman and directors, and also to the agent and general manager and the staff both in Egypt and in London concluded the proceedings.

SEP 25 1922 DEPT. OF STATE

NE

No. 595.

## AMERICAN CONSULATE.

Alexandria, Egypt, September 5, 1922.

~~CONFIDENTIAL.~~

Department of State
AUG 20 1924
Division of
Political and Economic Information

**SUBJECT:** COOPERATION OF DIPLOMATIC MISSION IN SECURING COMMERCIAL INFORMATION.

To be considered with Tel #49 from minister Howell, Cairo.

883.77/2

INDEXED

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

MM

SIR:

I have the honor to inform the Department that on July 21st 1922, this Consulate brought to the attention of the American Minister at Cairo a notice in the JOURNAL OFFICIEL No. 67 of the Egyptian Government of July 20, 1922 wherein on page 10 the Ministry of Communications notified a call for bids for the supply of locomotives in the following terms:-

FED AUG 30 1924 F

Noted 12.7.22

> MINISTRY OF COMMUNICATIONS
> General Manager, Egyptian State Railways, Telegraphs and Telephones, Cairo Station.
>
> October 12, 1922, at 10 a.m.--Supply of locomotives. Only makers whose names already appear on the Administration's official list, or their properly accredited agents in Egypt, may obtain copy of the Specification and set of drawings against payment of L.E.5 (Five Egyptian Pounds).

The Consulate requested the Agency to obtain from the Ministry of Communications a copy of the specifications and drawings so that the opportunity might be brought to the attention of American manufacturers of locomotives, as from the notice it was apparent that bids were to be restricted to certain chosen firms.

The necessary information not being forth-coming, on August 10, 1922 this matter was again brought to the attention of the American Minister and attention was directed to the fact that the bids would be open only until October 12th and that there was, therefore, barely sufficient time for American manufacturers to tender and that any further delay in obtaining this information would result in barring American concerns from competing.

On August 14, 1922, the American Minister notified this office that he had personally brought the matter to the attention of the Ministry of Foreign Affairs but this has apparently been without result and the time has now passed wherein it will be possible to submit the specifications to American concerns as it would not be possible for them to file bids on such short notice.

Prior to the early part of this year this Consulate was permitted to communicate directly with the different Departments of the various Ministries on purely routine and commercial matters such as obtaining statistical tables and specifications but upon my return to Egypt in April I was informed that new instructions had been issued to the Consulate to communicate only through the American Diplomatic Agency. Formerly when direct communication was permitted prompt results were obtained but since the inauguration of the new system it is impossible to get essential information for the proper promotion of American commercial interests in this country.

In a private conversation with one of the highest officials of the Ministry of Communications he unofficially informed me that his Department would require, among other things, 330 locomotives but that he would keep the first tenders down to 20 locomotives with a view to introducing internal combustion engines for the use of fuel oil, which is produced in Egypt, thus obviating the necessity of importing coal. For obvious reasons this is opposed by British interests as British coal imports for the railway are considerable. He suggested that the necessary information about the locomotive requirements would be supplied to me if I would request it but I explained the necessity of transmitting this request through the American Minister and the Foreign Office. He then stated that if it came in that way he was sure it would not be brought to his attention as there was strong influence in favor of diverting these opportunities to British manufacturers.

The preceding is merely one instance and to counteract this unfortunate state of affairs it is respectfully suggested that there be a return to the former method of obtaining information and that representations be made along these lines to the Egyptian Government as under the existing system American trade with Egypt is suffering heavy losses.

?? As in an official communication dated September 1, 1922, the American Minister has forbidden me to offer any advice to him unless it is called for by him, I am compelled to bring this urgent matter to his attention through the Department.

I have the honor to be, Sir,

Your obedient servant,

LESTER MAYNARD
AMERICAN CONSUL.

DC

NE

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

September 25, 1922.

Mr. Carr:

Apparently there is more trouble between Howell and Maynard.

I presume that there is no action to be taken on the attached correspondence until we have Howell's report before us. Howell should have received the Department's long instruction regarding his attitude towards Maynard by this time although it is possible that he did not have it when he telegraphed on September 15th and certainly had not received it by September 1st when he apparently addressed Maynard a letter forbidding him "to offer any advice to him unless it is called for by him". Neither Maynard nor Howell have sent us the latter's letter.

AWD/MNB

Sep 26

Dear Mr Dulles:
In this connection please see par. 2 on page 2 of letter from Maynard to Mr Carr - Sep 5/22

HCW

# TELEGRAM RECEIVED

CONSULAR PERSONNEL
AUG 11
DEPARTMENT OF STATE

NE

61—048

FROM

Gray

Cairo

Dated September 15, 1922.

Received 8:48 A.M.

CONSULAR BUREAU
AUG 14 1924
DEPT. OF STATE

INDEX BUREAU
SEP 15 1922
Dept. of State

DEPARTMENT OF STATE
SEP 25 1922
DIVISION OF NEAR EASTERN AFFAIRS.

INDEX BUREAU
883.77/8

Secretary of State,

Washington.,

49 September 15, 11 A.M.

Referring to despatch from Consul Maynard number 595, dated September 5. Respectfully request no answer be given until all data touching facts relative to matters mentioned therein be received by me.

HOWELL

FILED
AUG 15 1924
F

Note: Despatch not received.

WSB

Rec'd Sept 25.

Office of Economic Adviser
AUG 15 1924
DEPARTMENT OF STATE

NE
Co
~~ER~~

No. 604.

R BUREAU
14 1924
OF STATE

## AMERICAN CONSULATE.

Alexandria, Egypt, September 11, 1922.

~~CONFIDENTIAL~~:

**SUBJECT:** LOCOMOTIVES FOR THE EGYPTIAN GOVERNMENT.

File

Telegram to Alexandria Sept. 5, 1922
N.E.

DEPARTMENT OF STATE
OC 4 22
DIVISION OF
NEAR EASTERN AFFAIRS.

Department of State

883.77/9

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

RM

I have the honor to refer the Department to my despatch No. 595 of September 5, 1922, 883.77/9 subject COOPERATION OF DIPLOMATIC MISSION IN SECURING COMMERCIAL INFORMATION and particularly to the part relating to the call for bids for locomotives by the Ministry of Communications.

FILED
AUG 19 1924 F

It will be noted that on July 21st 1922 the notice in the JOURNAL OFFICIEL of the preceding day was brought to the American Minister's attention to secure an opportunity for American firms to bid and that again on August 10th the Minister was reminded of this important matter but the specifications were not forth-coming

2

On September 9th this Consulate received, from the American Minister a communication reading as follows:-

> "I am herewith enclosing copies of letters just received from the Ministry of Foreign Affairs, which are self-explanatory to your requests submitted by us on July 22 and July 24, 1922."

Attached to this despatch there is being submitted a copy of the communication from the Ministry of Foreign Affairs, dated September 7, 1922, which is one of the letters referred to in the above quoted letter from the Minister. From the enclosed copy of the letter from the Foreign Office it will be noted that the matter was first brought to the attention of the Ministry of Foreign Affairs on July 24th but that no answer was received until September 7, 1922, a matter of practically six weeks. This Consulate has not been informed whether or not other communications took place beyond the interview of August 14, 1922.

In the original notification as published in the JOURNAL OFFICIEL it was stated that specifications would be supplied only to firms on the Administration's official list and I naturally presumed that this was the cause of the non-success of the Minister in obtaining a copy but from the communication above referred to it now appears that the cost of the specifications was the obstacle. Had I been informed of this in the beginning I could have directed the Minister's attention to the Department's Instruction No.192 of February 27, 1915 which authorizes the purchase of important specifications.

In view of the Minister's failure to secure the specifications for the locomotives and the tone of finality of his letter of September 8, 1922, I took the matter up unofficially and privately with a high official of the Ministry of Communications with the result that I was at once supplied with a free copy of the specifications.

The specifications with plans attached are being sent to the Department to-day, under separate registered cover.

The bids must be in the hands of the General Manager of the Egyptian State Railways, Cairo Station, Cairo, Egypt, before 10 a.m. October 12, 1922, and as the time available for submitting tenders is now so short as to be impossible for American firms to take advantage of the trade opportunity I have secured a personal promise from the Ministry of Finance, through the Ministry of Communications, that the present call for bids will be cancelled and that new bids will be called for shortly afterwards using the same specifications. This arrangement has been made as the Ministry cannot extend the time for the submission of tenders but this will accomplish the same purpose.

For the reasons set forth in my despatch No. 596 dated September 5, 1922, subject: EGYPTIAN APPRENTICES TO BE SENT TO THE UNITED STATES as both for the protection of the officials of the Egyptian Ministries concerned and the necessity for keeping the postponement plan secret it would not be safe to submit a copy to the Minister as both British commercial interests and Government officials are determined, if possible, to have opportunities of this character placed in the hands of British manufacturers only.

It will be recalled that in 1920 when American locomotive manufacturers secured a contract for the supplying of locomotives to the Egyptian State Railways the matter caused many bitter newspaper comments and British commercial propagandists were extremely active.

In bringing these specifications to the attention of possible bidders great emphasis should be laid on the fact that bids will not be considered unless the bidder has an agent in Egypt and in this connection I believe the American Chamber of Commerce of Egypt, No. 1 Rue Ancienne Bourse, Alexandria, would prove of great assistance in securing agents, if necessary, by telegraph. This Consulate will naturally cooperate to the fullest extent possible.

I have the honor to be, Sir,

Your obedient servant,

LMaynard

LESTER MAYNARD
AMERICAN CONSUL.

Enclosures:-

1.- Specifications and plans, under sparate cover.
2.- Copy of Egyptian Foreign Office's letter of September 7, 1922.

File No. 865.14/877

COPY.

Ministry of Foreign Affairs,
Ramleh
No.1264 bis, September 7, 1922.

Sir,

I did not fail to refer to the Minister of Communications the request contained in your Note of July 24th, to be furnished with a free copy of the specifications advertized by the Egyptian Railways.

In reply the Minister of Communications has asked me to inform you that he regrets to be unable to comply with this request.

He points out that if this practice were once started free copies would have to be supplied to all Legations and Consulates. The specifications and drawings take a considerable time and labour to prepare. Consequently the charge of L.E. 5 is imposed to discourage all except bonafide tenderers from applying for them.

I feel sure that you will appreciate the justice of these considerations.

I have the honour to be,

Sir,

Your obedient servant,

(sgd.) SEIFOULLAH YOUSRY

For Minister for Foreign Affairs

To the Honourable
Dr. J. Morton Howell
Envoy Extraordinary and Minister Plenipotentiary
of the United States.

# TELEGRAM SENT.

# Department of State

Gray Cipher

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
$

*Washington,* October 7, 1922.

68

RECEIVED
OCT 7 19 5 49 PM
INDEX BUREAU
TELEGRAPH SECTION

AM[redacted] CONSUL,

ALEXANDRIA,

(EGYPT).

Your despatch 604, of September 11.

Specifications forwarded to Department of Commerce. Telegraph Department in case Government request for bids is cancelled.

Hughes

(0036)

883.77/9

KC ~~NE~~-KC/GC

Co

HCH

883.77/9

*Enciphered by* ..............................

*Sent by operator* 10.07 A.M., Oct 8, 1922

Index Bu.—No. 50.

1—128

NOV 4 1922 DEPT. OF STATE

CONSULAR BUREAU NOV 15 1922 DEPT. OF STATE

No. 653

73987

Department of State
MBH
Political and Economic Information

883.77/9

AMERICAN CONSULATE
Alexandria, Egypt,
October 12, 1922.

SUBJECT: LOCOMOTIVES FOR THE EGYPTIAN GOVERNMENT.

INDEX BUREAU

883.77/10

The Honorable
The Secretary of State,
Washington D. C.

DEPARTMENT OF STATE
NOV 7 1922
DIVISION OF NEAR EASTERN AFFAIRS

File

a4

FOR GENERAL DISSEMINATION ONLY.

2 copies sent to Commerce

DEPARTMENT OF STATE D.C.-2 NOV 8 1922

Sir:

I have the honor to refer the Department to my despatch No. 604 of September 11, 1922, subject: LOCOMOTIVES FOR THE EGYPTIAN GOVERNMENT and the Department's telegraphic reply of October 7, 1922, time 6 p.m. and to state that to-day is the date for opening the tenders. The procedure is for the tenders to be opened in Cairo by the General Manager of the Egyptian State Railways and if a tender is accepted notice must be given to the successful bidder within thirty days of the date of opening the bids. Before, however, the bid can be accepted by the Railways all the papers in the case must be submitted to the Ministry of Communications for approval and in the event of disapproval new bids can be requested. The decision of the Minister of Communications is final.

NOV 8 1922

FILED NOV 17 1922

In the present instance I have been privately informed by the Ministry of Communications that the bids will not be presented to the Ministry for examination for about 20 days and after the papers have been examined in the Ministry I have been assured that I will be confidentially informed in regard to the proposed action taken by the

DEPT. OF STATE NOV 8 ACKNOWLEDGED

Ministry at which time I will telegraph to the Department.

I have the honor to be, Sir,

Your obedient servant,

LESTER MAYNARD
AMERICAN CONSUL.

File No. 865.14/877

74899

94 U.S.

Commerce

~~CONFIDENTIAL~~

No. 641.

AMERICAN CONSULATE

Alexandria, Egypt,

October 21, 1922.

DEPARTMENT OF STATE
D. C.-2
NOV 16 1922
DIRECTOR of the CONSULAR SERVICE

file

NOV 16 1922

SUBJECT: LOCOMOTIVES FOR THE EGYPTIAN GOVERNMENT.

DEPARTMENT OF STATE
NOV 14
DIVISION OF
NEAR EASTERN AFFAIRS.

883.77/11

The Honorable

The Secretary of State,

Washington D. C.

Sir:

I have the honor to refer the Department to my despatch No. 633 of October 12, 1922 on the above subject and to state that this Consulate is in receipt of a letter from the American Consul at Cairo transmitting a copy of a communication from the Baldwin Locomotive Works of Philadelphia in which it is stated that that concern is tendering to the Egyptian State Railways on the locomotives which are needed. The communication in question is a request to the American Consul at Cairo to act as their domiciled representative in Egypt through whom legal communications may be made if necessary. Naturally the American Consul cannot act in that capacity but might recommend suitable persons or firms but the important point is that the time for receiving bids for the locomotives expired on October 12, 1922 and consequently the bid of the Baldwin Locomotive Works will be sent too late for attention. Last night I made inquiries to ascertain whether or not the bid

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NOV 27 1922

DEPT. OF STATE
NOV 16 1922
ACKNOWLEDGED

could be considered in spite of the fact that it came after the date for opening bids and was informed that according to the conditions of the tender this would be impossible as it would be unfair for other bidders. If the delay of six weeks which was caused by the Legation in securing the specifications could have been reduced by only two weeks the bid of the Baldwin Locomotive Works could have been received in time.

With reference to cancelling the bids and calling for new tenders I was informed that the Railways anticipated prices in the neighborhood of 10,000 Pounds for locomotives and that the bids which they received were in the neighborhood of 5,000 Pounds and that under the circumstances practical difficulties may make it impossible to cancel the tender. It was thought that without American participation in the bidding the prices would be very high and that would serve as a good excuse for rejecting all bids. The sum of 200,000 Pounds has been set aside for this initial purchase of locomotives and it is now believed that 100,000 Pounds can be returned to the Treasury as being unnecessary. This information was given to me in strict confidence and indicates the unlikelihood of American interests being given an opportunity to bid for this contract. I will be privately informed from time to time in regard to the progress of the adjudication as the contract has not as yet been awarded. When further opportunities of this character offer I will endeavor to obtain the necessary information through private channels rather than risk the fatal delay which occurred in handling this through the Legation.

It is the desire of the Ministry of Communications to introduce internal combustion engines for traction purposes using crude oil to replace existing coal burning steam engines. This matter formed the subject of a special report from this Consulate dated September 6, 1922, subject: INTERNAL COMBUSTION LOCOMOTIVES. In this connection I have been privately informed by the Ministry that specifications, drawings and photographs of such locomotives have been received from Switzerland and the Ministry is now considering the advisability of purchasing one locomotive of that type from Switzerland and one from the United States to be operated, under close observation, for six months to determine whether this type of locomotive will meet the requirements of the State Railways and if so which of the two locomotives is better suited to the needs of this country and is most economical in use. To insure a fair test the Government will stipulate that the manufacturer must send operators, at the expense of the Egyptian State Railways, to operate the locomotive under the most favorable conditions and without the danger of outside interference. As the locomotive will be in actual use on the railways it is the belief of the Ministry that from two to three men will be necessary to conduct the practical tests. Should that type of locomotive prove to be satisfactory and if the American locomotive should prove the better of the two and is chosen an extraordinary opportunity will be offered to American manufacturers of such locomotives to meet the large requirements of the State Railways.

It is respectfully requested that the Department of Commerce be urged to emphasize in every way within its means the absolute necessity of bidders for Egyptian Government contracts to have a representative resident in Egypt.

I have the honor to be, Sir,

Your obedient servant,

Lester Maynard

LESTER MAYNARD
American Consul.

File No. 877

75741

94

No. 650.

Department of State
DEC 1 - 1922
Division of
Political and Economic Information

CONFIDENTIAL

NOV 2? 1922

**AMERICAN CONSULATE**

Alexandria, Egypt,

November 1, 1922.

SUBJECT: INTERNAL COMBUSTION LOCOMOTIVES.

NOV 22 19??
DIVISION OF
WESTERN EUR.

NOV 21 1922

883.77/12

The Honorable

The Secretary of State,

Washington D. C.

DEPARTMENT OF STATE
D. C.-2
NOV 23 1922
DIRECTOR of the CONSULAR SERVICE

Sir:

70120

I have the honor to refer the Department to the report from this Consulate dated September 6, 1922, subject: INTERNAL COMBUSTION LOCOMOTIVES and to state that up to the present no information has been received at this Consulate from manufacturers in the United States of engines of this type. That report suggested that catalogues, drawings and descriptive literature generally be forwarded to this office for transmission to the appropriate officials of the Ministry of Communications.

FILED DEC 2 1922

The Ministery has again approached me for information in regard to this type of locomotive.

74899

In my despatch No. 641 of October 21, 1922, subject: LOCOMOTIVES FOR THE EGYPTIAN GOVERNMENT, page 3, it was explained that the Ministry of Communications desired locomotives of this type from Switzerland and America to compete in Egypt in order to determine from which country purchases would be made. I have now been informed that the Ministry has actually purchased, from Switzerland, one locomotive and four passenger cars and it is the intention of the Egyptian

883.77/11

DEPT. OF STATE
NOV 28 1922
ACKNOWLEDGED

tian State Railways to operate this train between Cairo and Helouan and if suitable plans and specifications are received from the United States the Railways intend purchasing an internal combustion locomotive and four cars from America to be run on the same line and in competition with the Swiss train.

Heretofore the best run from Cairo to Helouan has been 25 minutes and it is the desire of the Railways to reduce the time to 20 minutes and at the same time improve the service and utilize fuel oil instead of coal.

Unless American manufacturers are prompt in sending complete specifications and prices the attempt to purchase from the United States will be dropped. The passenger cars which have been ordered from Switzerland are ordinary day coaches of the bogy type (one truck of four wheels at each end). The line between the two cities above mentioned is the standard 4'8" gauge and it is suggested that in quoting for the passenger cars that prices be submitted for wooden cars as well as steel cars.

As the train from Switzerland has actually been ordered it will arrive in Egypt before the American train could possibly arrive and, therefore, it is respectfully suggested that the Department of Commerce give this matter special attention so that manufacturers may be urged to reply promptly and with the fullest information. It is important that the communications be sent through this Consulate, rather than direct to the Ministry of Communications or the Egyptian State Railways, so that documents may be placed in the hands of the officials sympathetic to the purchase of locomotives and rolling stock from the United States.

I have the honor to be, Sir,

Your obedient servant,

Lester Maynard

LESTER MAYNARD
American Consul.

File No. 865.14/877

76862

Department of State
DEC 1? 1922
Division of Political and Economic Information

DEPARTMENT OF STATE
NOV 29 1922
DIVISION OF NEAR EASTERN AFFAIRS.

DEPARTMENT OF STATE
DEC 5 1922
DIRECTOR OF THE CONSULAR SERVICE

2 copies sent to Commerce
copy to Chamb of Com.

INDEX BUREAU
883.77/13

# THROUGH BOOKINGS FROM EGYPT TO SYRIA VIA PALESTINE.

DEC 5 1922

American Vice Consul in Charge. George C. Cobb.

Jerusalem, Palestine. Date of Preparation Nov. 4,1922.

Date of Mailing Nov. 8, 1922

FTT,ED DEC 17 1922 D

As a result of a new working agreement between the Egyptian State Railways, the Wagon-Lits Company, and the Nairn Transport Company of Haifa and Beirut, it is now possible to travel from Cairo to Beirut in twenty-four hours. A first class through ticket costs less than £E.12, and in this sum are included the charges for a sleeping-car berth and for dinner, breakfast, and lunch on the trains. The second-class fare, including the use of a sleeping-car berth up to 9 a.m., is £E.8.

Passengers leave Cairo by train at 6.15 p.m. for Kantara, where they cross the Suez Canal and entrain on the Palestine Railways. Haifa is reached at 12.45 p.m. the next day, and here they are transferred to

motor-cars,

DEPT. OF STATE
DEC 5 1922
ACKNOWLEDGED

motor-cars, which are timed to leave at 1.30 p.m. and arrive at Beirut at 6.30 p.m. The motor service is carried out by a fleet of luxurious 6-seater cars, driven by European drivers, the 96 miles between the two terminals being accomplished in five hours. Luggage, to the extent of two hand bags per passenger, is carried free.

File No. 877.

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DEC 11 1922

No. 666.

CONSULAR BUREAU DEC 21 1922 DEPT OF STATE

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# AMERICAN CONSULATE,

Alexandria, Egypt, November 20, 1922.

SUBJECT: LOCOMOTIVES FOR THE EGYPTIAN GOVERNMENT.

Department of State
DEC 1922
Division of Political and Economic Information

[illegible]
DEC 9
DIVISION OF NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
DEC 11 1922
C-2
DIRECTOR of the CONSULAR SERVICE

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883.77/15

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

SIR:

I have the honor to refer the Department to my despatch No. 641 of October 21, 1922, subject: LOCOMOTIVES FOR THE EGYPTIAN GOVERNMENT and to quote hereunder from the Journal Officiel No. 100 of November 16, 1922 a notice published by the Ministry of Communications as follows:-

FTT TD DEC 22 1922

> MINISTRY OF COMMUNICATIONS
>
> Egyptian State Railways, Telegraphs and Telephones.-- Result of Adjudication of October 12, 1922, re supply of Locomotives for Goods Service and Shunting Working.-- The Manager, Egyptian State Railways, Telegraphs and Telephones, begs to bring to the notice of the public that twenty-eight offers were received under the above adjudication and that an order has been placed with Societa Italiana "Ernesto Breda," per Costrusioni Meccaniche, Milan, for twenty Locomotives at the price of £. 4,750 each, delivered and erected free Gabbary (Alexandria), Customs excluded.

883.77/11

From the above it will be noted that the Railways have accepted the Italian bid for the first lot of twenty locomotives and that the above was considerably below the amount estimated by the Railways.

The only American bid, as far as I have been able to learn

ACKNOWLEDGED DEC 11 1922 DEPT. OF STATE

2

learn (The Baldwin Mocomotive Works) was in the neighborhood of 11,000 Pounds.

I have the honor to be, Sir,

Your obedient servant,

LESTER MAYNARD
American Consul.

File No. 865.14/877

DC-2

FEB 3 1923
DEPT. OF STATE

DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON

FEB 8 1923

February 1, 1923.

Copy sent by Memo in DC-2 to Alexandria 2-6-23

DEPARTMENT OF STATE
FEB 5 1923
DIRECTOR OF THE CONSULAR SERVICE

IN REPLY REFER TO 35
#CC/MBB.

883.77/11

Mr. Wilbur J. Carr,
Director of Consular Services,
Department of State,
Washington, D. C.

74899 75941 77542

Dear Mr. Carr:

Under date of October 21, November 1, and November 20, Consul Lester Maynard, Alexandria, Egypt, inquired regarding Diesel engine-driven locomotives. Since receipt of these reports, we have made a very careful investigation and regret to advise that Diesel engine-driven locomotives are not yet produced in the United States. We will be glad if you will so advise Consul Maynard.

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Very truly yours,

F. R. Eldridge
F. R. Eldridge,
Assistant Liaison Officer.

FILED
FEB 9 1923

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LEGATION OF THE
UNITED STATES OF AMERICA
CAIRO, EGYPT

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No. 277.

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Department of State
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Division of
Political and Economic Information

No distribution
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883.77/17

FILED
MAR 20 1923

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The Honorable,
Secretary of State,
Washington.

Sir:

I have the honor to refer to an instruction from the Department to the American Consul in charge at Alexandria, which was sent to this Legation for transmission to that officer; same received in the last mail which reached us yesterday, Feb. 12th, 1923. This dispatch in question would appear to indicate that the Department may be somewhat unaware of the part played by this Legation in the matter of facilitating the obtaining of orders by American firms for railway supplies for the Egyptian State Railways.

I have the honor accordingly to transmit herewith to the Department, copies of correspondence showing the efforts made by the Legation towards making possible the furnishing of these supplies by American firms.

I have the honor also to relate the facts of a conversation held at the Ministry for Foreign Affairs on Sept. 14th, last, between myself and the then Prime Minister and the Minister for Foreign Affairs, Sarwat Pasha and the then Undersecretary of State, Yousry Pasha. I had gone to the Ministry accompanied by the First Secretary of the Legation, Mr. Andrews, to discuss various questions pending between the Legation and the Ministry, and in the course of the audience I found an opportunity to bring up the subject of preferences alleged to have been shown British bidders in respect to locomotives as reported in Consul Maynard's confidential dispatch to the Department No. 595, /7 of Sept. 5, 1922, the pertinent part of which was the following:

"In a private conversation with one of the highest officials of the Ministry of Communications, he unofficially informed me that his department would require among other things, 330 locomotives, but that he would keep the first tenders down to 20 locomotives with a view to introducing internal combustion engines for the use of fuel oil which is produced in Egypt, thus obviating the necessity of importing coal. For obvious reasons this is opposed by British interests as British coal imports for the railway are considerable. He suggested that the necessary information about the locomotive requirements would be supplied to me if I would request it, but I explained the necessity of transmitting this request through the American Minister and the Foreign Office. He then stated that if it came in that way he was sure it would not be brought to his attention as there was strong influence in favor of diverting these opportunities to British manufacturers."

The sense of this I related to the Ministers present . Both the Prime Minister and the Undersecretary showed serious concern at the facts alleged and assured me that they believed no such preference has existed in favor of British bidders against Americans; that they would immediately investigate the matter; and that I might rest assured there would be no preference whatsoever shown to British bidders as against American bidders.

It seems reasonable to conclude that my interview on that occasion may have well operated to prevent any discrimination - if any were intended - being shown in favor of British firms as against American.

I have the honor to say that I am led to bring these facts to the attention of the Department only that justice may obtain in showing the interest felt by this Legation in assisting in every way possible, the maintenance and extension of American trade in Egypt.

I have the honor to be, Sir,

Your obedient servant,

MORTON HOWELL

Inclosures.

COPY

AMERICAN LEGATION
CAIRO EGYPT

June 23, 1922.

Lester Maynard, Esquire,
American Consul,
American Consulate,
Alexandria.

883.77/17

Sir,

I beg to enclose herewith triplicate copies of a specification, relating to the adjudication of wooden sleeper supplies, required by the Egyptian State Railways, together with copy of a communication addressed to this Agency by that Administration.

It is possible that this specification may prove of interest to lumber exporters in the United States, especially in view of the recent Instruction from the Department of State, calling for information in detail on the market for railway ties in Egypt. This report was prepared by myself, and forwarded during your absence in the United States.

I am,

For the Diplomatic Agent & Consul-General:
Very respectfully yours,

Sdg: S. PINKNEY TUCK JR
American Consul.

File NO: 877/1436.
SPT:DS.

COPY

AMERICAN LEGATION
CAIRO EGYPT

July 22, 1922.

Excellency:

I am advised by the American Consul at Alexandria (and notice public Press announcements to the same effect), that the Ministry of Finance has opened a new credit for L.E.80,000, for resuming work on the new railway station at Bab el Guedid, Alexandria.

883.77/17

I should be pleased, if the facts above noted are correctly reported, if Your Excellency would be good enough to advise me with regard to the detailed requirements of the Ministry, with a view to placing a trade opportunity before the American manufacturers.

I avail myself of this opportunity to renew to Your Excellency the assurance of my high consideration.

J. MORTON HOWELL.

Envoy Extraordinary and Minister Plenipotentiary of the United States to Egypt.

His Excellency,
Abdel Khalek Saroit Pasha,
Minister for Foreign Affairs,
Alexandria.

File No: 865.12/1627

JMH:DS

**COPY**

AMERICAN LEGATION
CAIRO EGYPT

July 22, 1922.

Excellency:

I have the honor to inform Your Excellency, that on June 23, 1922, a communication was addressed to the American Consulate at Cairo, by the Superintendent of Stores, W.H.W.Callender, Egyptian State Railways, notifying us that the Administration was calling for 201,700 Wooden Sleepers, and that a public adjudication for same would be held in Cairo on September 7, 1922.

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We are of the opinion, that the time limit fixed, as stated, would render it impossible for American firms to bid on this contract. It has been suggested to us, therefore, upon good authority, that if this fact were communicated to the Ministry of Communications, the time limit for the receipt of tenders would be extended, so as to render it possible for American firms to bid on this contract.

If Your Excellency will, therefore, communicate with the Ministry of Communications, stating the necessity of deferred adjudication, if bids are desired from American firms I shall be obliged.

J. MORTON HOWELL.

Envoy Extraordinary and Minister Plenipotentiary of the United States to Egypt.

His Excellency,
Abdel Khalek Saroit Pasha,
Minister for Foreign Affairs,
Alexandria.

File NO: 877/1628.

JMH:DS

**COPY**

AMERICAN LEGATION

CAIRO EGYPT

July 24, 1922.

Excellency:

I have the honor to refer to a request made by one of our American Consuls, calling my attention to a notice in the Journal Officiel No.67 of July 20, 1922, on page 10 of which the Ministry of Communications has issued the following notice in regard to the supply of locomotives:-

883.77/17

MINISTRY OF COMMUNICATIONS

> "General Manager, Egyptian State Railways, Telegraphs and Telephones, Cairo, Station. October 12, 1922, at 10 a.m. -- Supply of Locomotives. Only makers whose names already appear on the Administration's official list, or their properly accredited Agents in Egypt, may obtain copy of the specification and set of drawings against payment of L.E.5 (five Egyptian pounds)."

I would appreciate it if Your Excellency would confer with the Ministry of Communications, with a view to the securement of a free copy of the specifications and drawings which have to do with this order or notice.

Accept, Excellency, the assurance of my high consideration.

J. MORTON HOWELL.

Envoy Extraordinary and Minister Plenipotentiary of the United States to Egypt.

His Excellency,
Abdel Khalek Saroit Pasha,
Minister for Foreign Affairs,
RAMLEH.

JMH:DS

**COPY**

AMERICAN LEGATION

CAIRO EGYPT

Ramleh
August 14, 1922

Lester Maynard, Esquire,
American Consul,
Alexandria.

Sir:

In answer to your letter of the 10th August, 1922, file No.610 T.E., would state: That on this day I made a personal call on the Ministry of Foreign Affairs, and find that the seeming dereliction does not obtain in the Foreign Office, but rather to the Ministries to which the communications, directed by myself on the 24th ult., were referred.

The Foreign Office have taken the matter up by telephone this day, with a view of facilitating action along the line of my request on the date indicated above.

We shall hope this last move will bring about the desired results.

Very truly yours,

J. MORTON HOWELL.

American Minister.

JMH:DS

883.77/17

COPY

Ministeres
des
Affaires Etrangeres

No.1215 bis.        Ramleh, August 26th, 1922.

883.77/17

Sir,

With reference to your letter of July 22nd, requesting information as to the requirements of the Egyptian Government in connection with the construction of the new railway station at Bab-el-Guedid, Alexandria, I have the honour to inform you that a credit of L.E.80,000 has, in fact, been opened for the construction of this New Station, as reported in the Press.

Tenders for this work will be advertised in due course.

I have the honour to be,
Sir,
Your obedient servant,

Sdg: Seifoullah Yousry.
f. MINISTER FOR FOREIGN AFFAIRS.

The Honourable,
Doctor J. Morton Howell,
Envoy Extraordinary and Minister Plenipotentiary
of the United States.

COPY

MINISTRY OF FOREIGN AFFAIRS

No. 1265 bis.

Ramleh, September 7, 1922.

Sir:

I did not fail to refer to the Minister of Communications the request contained in your Note of July 22nd, that the time limit for the receipt of certain tenders advertised by the Egyptian State Railways should be extended to enable American firms to compete.

In reply, the Minister of Communications has asked me to point out that, in view of the fact that the notice of requirements was sent out 10 weeks before the date when offers would be considered, he is of opinion that ample time was allowed for American firms to offer if they wished. Under these circumstances, he does not consider that he has adequate grounds for extending the time fixed.

I have the honor to be,

Sir,

Your obedient servant,

Sdg: Seifoullah Yousry.

f. MINISTER FOR FOREIGN AFFAIRS.

To the Honourable J. Morton Howell,
Envoy Extraordinary and Minister Plenipotentiary
of the United States.

883.77/14

COPY

MINISTRY OF FOREIGN AFFAIRS
No. 1264 bis.

Ramleh September 7, 1922.

Sir:

I did not fail to refer to the Minister of Communications the request contained in your Note of July 24th, to be furnished with a free copy of the specifications and drawings relative to certain tenders of locomotives advertised by the Egyptian Railways.

In reply the Minister of Communications has asked me to inform you that he regrets to be unable to comply with this request.

He points out that if this practice were once started, free copies would have to be supplied to all Legations and Consulates. The Specifications and drawings take a considerable time and labour to prepare. Consequently the charge of L.E.5 is imposed to discourage all except bonafide tenderers from applying for them.

I feel sure that you will appreciate the justice of these considerations.

I have the honour to be,
Sir,
Your obedient servant,
Sdg: Seifoullah Yousry.
for Minister for Foreign Affairs.

The Honorable,
Dr. J. Morton Howell,
Envoy Extraordinary and Minister Plenipotentiary,
of the United States.

883.77/17

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NO. 875.

AMERICAN CONSULATE,

Alexandria, Egypt, September 15, 1923.

~~CONFIDENTIAL.~~

883.77

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SUBJECT: CONFIDENTIAL INFORMATION ~~DESIRED BY THE~~ LEGATION.

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DEPARTMENT OF STATE
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OCT 3 1923
DIRECTOR of the CONSULAR SERVICE

OCT 8 1923

THE HONORABLE

THE SECRETARY OF STATE,

Department of State
WASHINGTON.
OCT 3 1923
Division of
Political and Economic Information

DEPARTMENT OF STATE
OCT 3 1923
DIVISION OF
NEAR EASTERN AFFAIRS.

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SIR:

I have the honor to enclose a copy of a communication dated September 11, 1923, received from the American Legation which is now situated in Alexandria and a copy of my reply of September 12, 1923.

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OCT 6 1923

In the Legation's communication reference is made to a letter from this Consulate to the Legation at Cairo dated July 18, 1922, of which a copy is attached to this despatch as enclosure No. 3 for the information of the Department.

Reference is also made, in the Legation's letter, to my confidential despatch to the Department of State of September 5, 1922, No. 595. It was this latter despatch which Dr. Howell read last September to the then Prime Minister and Minister of Foreign Affairs and which was the subject of my unofficial letter to the Department of State of September 22, 1922. Apparently it is now his intention to reopen this affair with the present Ministry or with the British Residency in an effort to embarrass an Egyptian Official who has been of the greatest service to American interests.

Under the circumstances I have declined to supply the Minister with the name of the Egyptian Official in question and I sincerely trust that the Department will approve of my action.

I have the honor to be, Sir,

Your obedient servant,

LESTER MAYNARD
American Consul.

Enclosures: ok
1.- Copy of the Minister's letter.
2.- My reply to above.
3.- Copy of letter to the Legation dated July 18, 1922.

File No. 127/861.7

ENCLOSURE NO. 1
DESPATCH ~~REPORT~~
DATED Sept. 15/23; 870 FILE No 127/861.7
SUBJECT Confidential Information desired by the Legation.

**COPY**

LEGATION OF THE
UNITED STATES OF AMERICA

Alexandria, Egypt,

Sept. 11, 1923.

Lester Maynard, Esquire,
American Consul,
Alexandria, Egypt.

Sir:

In your letter to the Legation of date, July 18, 1922, File No. 861.7, with respect to bringing the specifications for the supply of wooden railway sleepers to the attention of the American Chamber of Commerce, etc., you quote Mahmoud Sammy Pasha as follows: "In recent conversation with Mahmoud Sammy Pasha he personally and unofficially informed me that if application was made to the Ministry of Communications the time limit for the receipt of tenders would be extended so as to make it possible for American firms to bid."

In your despatch to the Department of State of Sept. 5, 1922, No. 595, on the subject: Cooperation of Diplomatic Missions in Securing Commercial Information, you state: "In a private conversation with one of the highest officials of the Ministry of Communications, he unofficially informed me that his department would require among other things, 320 locomotives but that he would keep the first tenders down to 20 locomotives with a view to introducing internal combustion engines for the use of fuel oil, which is produced in Egypt, thus obviating the necessity of importing coal. For obvious reasons this is opposed by British interests as British coal imports for the Railway are considerable. He suggested that the necessary information about the locomotive requirements would be supplied to me if I would request it, but I explained the necessity of transmitting this request through the American Minister and the Foreign Office. He then stated that if it came in that way he was sure it would not be brought to his attention as there was strong influence in favor of diverting these opportunities to British manufacturers."

The Legation is desirous of being furnished by you, the name of this "one of the highest officials" to whom your communication specifically refers, and would appreciate it if you would be good enough to furnish this information at the earliest practicable date.

I am, Sir,

Your obedient servant,

(Sgd.) J. Morton Howell
AMERICAN MINISTER

ENCLOSURE No. 2
DESPATCH ~~REPORT~~
DATED Sept. 15/23 875 FILE No 127/861.7.
SUBJECT Confidential Information desired by the Legation.

COPY

Alexandria, Egypt, September 12, 1923.

The Honorable
J. Morton Howell,
American Minister,
Savoy Palace Hotel,
Alexandria.

Sir:

I have the honor to acknowledge receipt of the Legation's communication of September 11, 1923, in which reference is made to a letter from this Consulate dated July 18, 1922, with reference to wooden railway sleepers for the Egyptian State Railways.

Reference is also made to a confidential despatch to the Department of State dated September 5, 1922 (No. 595) which relates to locomotives for the State Railways.

The two communications above referred to are unrelated.

The Legation expresses a desire to be furnished with the name of the high official referred to in the above mentioned despatch but in this connection I beg to respectfully invite the Legation's attention to the fact that the despatch in question shows that the statement quoted by the Legation was made unofficially to me. Furthermore, it was made in confidence by an official who desired to assist in furthering American trade and to quote his name would be a betrayal of confidence. Its use in Egypt might lead to embarrassment for an official who has been most helpful to American interests.

Under the circumstances I regret exceedingly that I will be unable to comply with the Legation's request.

Very respectfully yours,

(Sgd.) Lester Maynard,
AMERICAN CONSUL.

File No. 127.861.7
LM:JI

ENCL 3
DESPAT
DATED Sept. 15/23 895 FILE No 127/861.7
SUBJECT Confidential Information desired by the Legation.

COPY

Alexandria, Egypt, July 18, 1922.

Honorable J. Morton Howell,
American Minister,
Cairo.

Sir:

Referring to the Agency's communication No. 101 of June 23, 1922, I beg to state that after bringing the Specification for the supply of wooden railway sleepers to the attention of the American Chamber of Commerce, for the information of Alexandria agents of American timber firms the matter was also made the subject of a Trade Opportunity and a report to the Department of State. Particular attention was directed to the fact that the receipt of tenders would be closed on September 7th 1922.

In recent conversation with Mahmoud Samy Pacha he personally and unofficially informed me that if application was made to the Ministry of Communications the time limit for the receipt of tenders would be extended so as to make it possible for American firms to bid.

Under the circumstances I beg to request the Agency to make the necessary application to the Ministry of Communications for extension of time and be kind enough to advise me of the result so that I may assist American firms in tendering for the contract.

Very respectfully yours,

(Sgd.) LESTER MAYNARD
AMERICAN CONSUL.

File No. 861.7.
LM:JI

LEGATION OF THE
UNITED STATES OF AMERICA
Cairo, Egypt

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The Honorable,

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my despatch No. 277 of Feb. 13, 1923, wherein I took occasion to refer to an instruction from the Department to the American Consul in Charge at Alexandria, Mr. Maynard, which was sent to this Legation for transmission to this officer; same received Feb. 12, 1923, and had to do with the obtaining of orders by American firms for supplies for the Egyptian State Railways.

I have the honor to officially confirm the statement made in this despatch in question, by an official communication just received from the Ministry for Foreign Affairs. Further comment upon this question would seem to be, in the light of this official evidence from the Foreign Office, unnecessary.

I have the honor to be, Sir,

Your obedient servant,

J Morton Howell

J. Morton Howell

ok

Enclosure:
Note from Foreign Office
Translation

(Copy)

Ministère des Affaires Etrangères.
No. 50.7/2 (1613)

Ramleh, le 4 Octobre 1923

Monsieur le Ministre,

J'ai l'honneur d'accuser réception de votre lettre en date du 14 Septembre dernier, No. 81, relative à l'entretien que vous avez eu avec mon prédécesseur le 14 Septembre 1922, - après votre réception de la lettre de ce Ministère du 7 Septembre 1922, No. 1265 bis.

En réponse, je m'empresse de vous informer que, conformément à la déclaration verbale qui vous a été faite lors de cet entretien, ce Ministére s'est adressé à nouveau au Ministère des Communications, et qu'à la suite de cette démarche ledit Ministère a, en effet, pris les dispositions nécessaires pour assurer la prorogation du délai fixé par l'Administration des Chemins de Fer de l'Etat pour les adjudications dont il est question.

Je regrette que ce renseignement n'a pas précédemment été porté officiellement à votre connaissance, et je saisis l'occasion de vous renouveler, Monsieur le Ministre, les assurances de ma haute considération.

Le Ministre des Affaires Etrangères,
M. Tewfick Rifaat.

S0n Excellence
Monsieur le Dr. J. Morton Howell,
Envoyé Extraordinaire et Ministre
Plénipotentiaire des Etats-Unis d'Amérique.

# Translation

Ministry for Foreign Affairs
No. 50.7/2 (1613)

Ramleh, October 4, 1923.

Mr. Minister:

I have the honor to acknowledge receipt of your letter dated September 14, last, No. 81, relative to an interview which you had with my predecessor September 14, 1922, after your receipt of the letter from this Ministry of September 7, 1922, No 1265 bis.

In reply I hasten to advise you that in conformity with the verbal agreement which you made at the time of this interview, this Ministry again addressed the Ministry of Communications and following this action, the said Ministry had, in fact, made the necessary arrangements to assure an extension of the date fixed by the Administration of the State Railways for the settlement of this question.

I regret that this information has not previously been brought to your notice officially, and I seize this occasion to renew to you, Mr. Minister, the assurance of my high consideration.

The Minister for Foreign Affairs,
M. Tewfick Rifaat.

His Excellency
Dr. J. Morton Howell,
Envoy Extraordinary and Minister
Plenipotentiary of the United States
of America.

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ASSISTANT SECRETARY OF STATE

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AUG 27 1924

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SEP 20 1924

# OPENING OF A NEW LINE OF RAILROAD IN THE ANGLO-EGYPTIAN SUDAN.

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DEPT. OF STATE
AUG 27 1924
ACKNOWLEDGED

FROM: Wm. E. DeCourcy, American Vice Consul in Charge,
Cairo, Egypt.

DATE OF PREPARATION: August 1, 1924.

DATE OF MAILING: August 1, 1924.

SOURCE OF INFORMATION: The "Egyptian Gazette".

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The following information in regard to the opening of the Kassala Railway, in the Anglo-Egyptian Sudan, appeared in the "Egyptian Gazette" some days ago. It is transmitted in the belief that it may be of some interest because of the light which it throws on prospective cotton development in the Sudan.

## OPENING UP THE SUDAN.

An essential step in the economic development of the Sudan has now been achieved in the completion of the Kassala Railway which was opened for traffic on May 3. Whether from the point of view of the consumer of raw produce abroad, of the material and political interests of the Government, or of the general well-being of the native population the value of this railway cannot be exaggerated. A glance at a map shows that, while most of the Sudan is served by railways and river, the eastern districts are devoid of such facilities, for the Atbara and Rahad rivers are of little use for transport of produce. The Eastern Sudan has in the past been obliged to depend almost entirely on a most inadequate supply of camels for the carriage of its imports and exports, and under these conditions has been able to make little progress. Hitherto, the natural resources of Kassala could not be brought into action, and its potentially important economic position has been nullified. Not only will the railway enable the Sudan forthwith to add substantially to the output of these resources, but it will also help to strengthen the ecomomic fabric of the country and place it on a much broader basis. If Kassala town is taken as the centre ofba circle with a radius of 250 miles, the circumference will touch or contain a number of important points, viz., Suakin on the Red Sea; Massawa, the port of Italian Eritrea; Khartoum, Atbara, the junction of the Nile and Red Sea Railway, Wad Medani, on the Blue Nile-Kordofan Railway, and Thamian, the junction of the railway

with

the Port Sudan line. Moreover, as it adjoins Brithrea in the north and Abyssinia in the South, Kassala province is well situated for the development of a frontier trade, which at present amount to about £ 50,000 a year.

In cotton and livestock alone Kassala possesses two assets which will more than justify the new railway. If is the former with which, of course, Great Britain is more particularly concerned. Egyptian cotton of long staple and good quality is already being grown under the auspices of the Kassala Cotton Company, which holds a concession in the nature of a three@cornered partnership between the Sudan Government, the native cultivator and the company itself. But the quantity produced has so far been limited by difficulties of transport, a camel trek of over 300 miles being involved. With railway communication now effected with the sea, there will be nothing to hinder the further exploitation of the fertile valley known as the East Delta where the company has planned to pursue its activities on an extensive scale. Taking the labour factor into account, and allowing for sufficient land for grain production, it is estimated that within three of four years after the opening of the railway the area of cotton in the Gash Delta can be increased to 50,000 acres and within ten years of that date to 100,000. On these areas, taking the provisional estimates of the average yield likely to be obtained at 200 lb of lint per acre, production should gradually increase from 25,000 bales of 400 lb. to twice that amount. Thus, even if all other direct or indirect benefits are left out of account, the new railway, regarded as a cotton proposition, has extremely attractive features.

Wm E DeCourcy

Wm. E. DeCourcy,
American Vice Consul
in charge.

File No. 877.

Form No. 271—Foreign Service
(See mimeographed instruction of August 6, 1924)

DEPT. OF STATE
MAR 2 1925
Division of
Foreign Service Administration

Office of Economic Adviser
FEB 28 1925
DEPARTMENT OF STATE

97

3 copies hereof to be sent to Commerce
Copy also to
and

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FEB 25 1925

DEPARTMENT OF STATE
FEB 24 1925
DIVISION OF
NEAR EASTERN AFFAIRS

Department of State
MAR 5 1925
Division of
Political and Economic

INDEX BUREAU
883.77/21

DEPARTMENT OF STATE
A-40
FEB 24 1925
SSISTA

File

File

AMERICAN FOREIGN SERVICE REPORT

**No. 1** DATE OF REPORT: **January 24, 1925.**

**To: Department of State.** DATE OF MAILING: **January 24, 1925.**

Rm

OFFICE: **Consulate, Cairo, Egypt.**

REFERENCE TO REQUEST: **Voluntary.**

GEOGRAPHIC DESIGNATION: **Egypt.**

SCHEDULE NO. AND SUBJECT: **E7032 - Railways, concessions, contracts, subsidies.**

TITLE: **Appropriation for renewal Expenditures on Egyptian State Railways 1925-1926.**

SOURCE: **Notice in "La Bourse Egyptienne" of January 19, 1925.**

(SIGNATURE OF OFFICER PREPARING REPORT)

(SIGNATURE OF PRINCIPAL OFFICER)

DEPT. OF STATE
FEB 28
ACKNOWLEDGED

REFERENCE TO PREVIOUS REPORTS:

**None.**

1—1058 GOVERNMENT PRINTING OFFICE

FILED
MAR 6 1925

1. The following listed expenditures, to be made by the Ministry of Communications of the Egyptian State Railways during the fiscal year 1925-1926, have been approved by the Council of Ministers.

**For Ordinary**

## FOR ORDINARY RENEWALS

| | L.E. |
|---|---|
| Rails for renewing 100 kilometers of track | 220,000 |
| 20 locomotives | 100,000 |
| Freight cars | 112,000 |
| 30 passenger coaches | 105,000 |
| Bridges | 20,000 |
| Signals | 10,000 |
| Total | 567.000 |

## FOR SPECIAL RENEWALS

| | |
|---|---|
| Rails for renewing 175 kilometers of track | 380,000 |
| 60 locomotives | 300,000 |
| 715 freight cars | 250,000 |
| 60 passenger coaches | 210,000 |
| Bridges | 100,000 |
| Signals | 100,000 |
| Total | 1,340,000 |

NOTE: The value of the Egyptian pound at the present time is approximately $4.90

2. The materials for these renewals will be bought abroad under the usual system of public tender, the conditions of which have already been made public by the Department of Commerce for the benefit of American manufacturers interested in Egyptian Government contracts.

IN QUINTUPLICATE

Copies to:
American Legation, Cairo.
American Consulate, Alexandria.

File No. 877.2

For 271—Foreign Service
(See mim ed instruction of August 6, 1924)

19

3/5 full
5/8 full

4

Chamb of Commerce
Chamb of Com
KC

MAR 18 1925

DEPARTMENT OF STATE
MAR 17 1925

File

DEPT. OF STATE
MAR 18 1925
ACKNOWLEDGED

## AMERICAN FOREIGN SERVICE REPORT

No. 3

Date of Preparation: February 18,1925

To: Department of State.

Date of Mailing: February 21, 1925.

Office: Consulate, Cairo, Egypt.

Reference to Request: None.

Geographic Designation: Egypt.

Schedule No. and Subject: E 7860-Periodicals.

Title: The Egyptian Railway Advertiser.

Source: ------

(Signature of officer preparing report)

(Signature of principal officer)

883.77/92

MAR 16 1925

Reference to Previous Reports:

None.

1—1088 Government Printing Office

MAR 24 1925 N

1. Transmitted herewith, in quintuplicate, are specimen copies of a publication entitled "The Egyptian Railway Advertiser", which the Egyptian State Railways, Telegraphs and Telephones Administration began publishing on December 11, 1924. It contains notices and results of all railway,

telegraph and telephone adjudications and is, therefore, a most valuable source of information for manufacturers interested in bidding on government contracts in the transportation and communication department. It is believed that the Bureau of Foreign and Domestic Commerce will desire to bring this publication to the attention of railway supply and equipment manufacturers in particular.

2. As is indicated in the copies supplied herewith, the yearly subscription price is P.T. 50, or 10s.6d. Checks should be made payable to "The Paymaster, Egyptian State Railways, Telegraphs and Telephones, Cairo" and subscriptions forwarded to "The Publicity Section, General Management, Egyptian State Railways, Cairo.

Enclosures:
As Stated above.

IN QUINTUPLICATE

Copies to:
American Legation, Cairo.
American Consulate, Alexandria.

File No. 020.

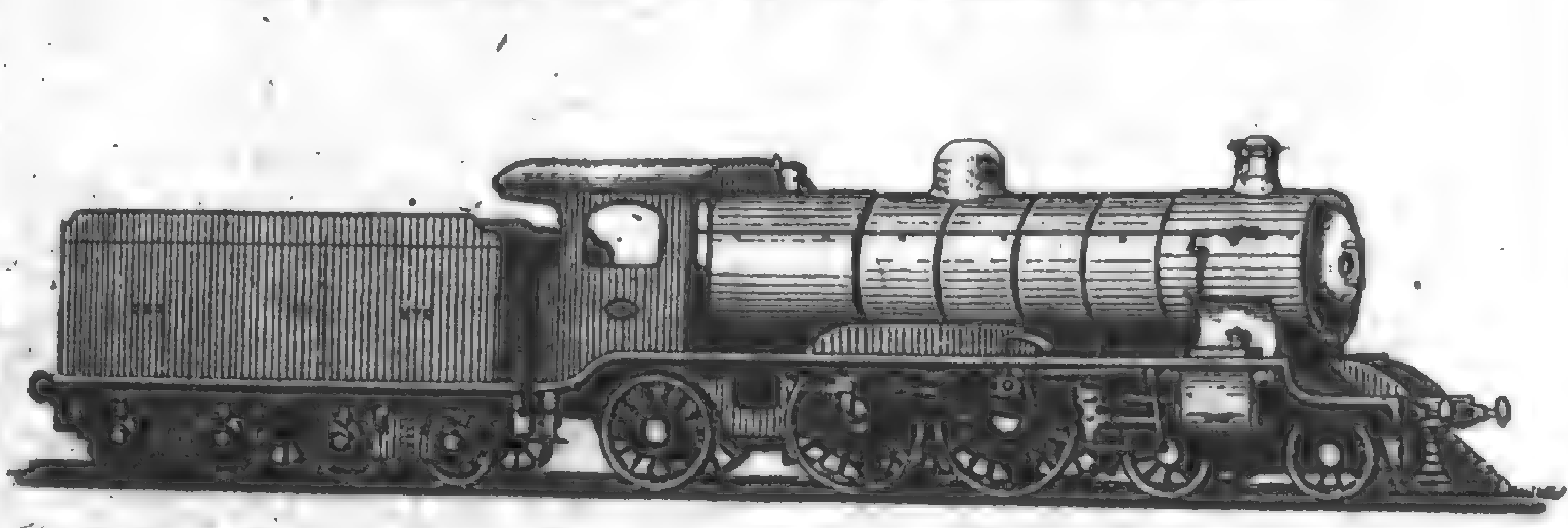
AVIS
*Pour le texte en Français voir page 11.*

# EGYPTIAN STATE RAILWAYS TELEGRAPHS AND TELEPHONES

# THE EGYPTIAN RAILWAY ADVERTISER

VOL. I. — No. 6 : : : : : : JANUARY 15th, 1925

: : An ORGAN of the : :
EGYPTIAN STATE RAILWAYS,
TELEGRAPHS AND TELEPHONES,
containing information of interest to
Contractors, and Suppliers of Materials
and Stores used by the Administration.



CAIRO,
Egyptian State Railways Press
1925.

THIS DOCUMENT MUST BE RETURNED
TO THE INDEX BUREAU.

**AVIS**
*Pour le texte en Français voir page 11.*

EGYPTIAN STATE RAILWAYS, TELEGRAPHS AND TELEPHONES

# THE EGYPTIAN RAILWAY ADVERTISER

VOL. I. — No. 6. :: :: :: JANUARY 15th, 1925

## SUBSCRIPTIONS

Those interested in this weekly publication should have their names placed in the mailing list. This can be arranged on application to:—

THE PUBLICITY SECTION,
*General Management,*
*Egyptian State Railways,*
CAIRO (*Egypt*).

The subscription is P.T. 50 (Fifty Egyptian Piastres) yearly. If sent by post, a Cheque, a Money Order or an Egyptian Post Office Order should be used, made payable to:—

THE PAYMASTER,
*Egyptian State Railways, Telegraphs and Telephones,*
*CAIRO.*

A British Post Office Order for 10s. 6d. is also acceptable, provided it has been issued outside of Egypt and the Sudan.

# CALLS FOR TENDERS

## Materials and Articles of Store

### 1.—Supply of Portland Cement.

Tenders will be received up to 21st. February, 1925, for the supply of 2000 Metrical Tons of Portland Cement.

Copy of the Specification may be obtained against payment in advance of 200 Mills. (not accepted in postage stamps) at the Stores Department, Saptieh (Cairo), or Gabbary (Alexandria), also at the Inspecting Engineer's Office.

◆

### 2.—Supply of Lorries, Chassis and Motor Cycles.

Tenders will be received up to 26th Jan., 1925, for the supply of 2 Lorries, 6 Chassis and 3 Motor Cycles.

Copy of the Specification may be obtained against payment in advance of 100 Mills. (not accepted in postage stamps) at the Stores Department, Saptieh (Cairo) or Gabbary (Alexandria).

◆

### 3—Supply of Creosoted Telegraph Poles.

Tenders will be received up to 16th, February, 1925, for the supply of 800 Creosoted Telegraph Poles.

Copy of the Specification may be obtained against payment in advance of 100 Mills. (not accepted in postage-stamps) on application at the Stores Department Saptieh (Cairo) or Gabbary (Alexandria),

Offers will also be obtained through the Inspecting Engineer's Office in London.

◆

### 4—Supply of Iron and Steel

Tenders will be received up to noon of 19th January 1925, for the supply of a small quantity of Iron and Steel.

For details apply to the Stores Department, Saptieh (Cairo).

◆

### 5—Supply of Steel for tools.

Tenders will be received up to noon of 17th January 1925, for the supply of 893 Kgs. Square English steel for tools 1 ¾″.

For details apply to the Stores Dept. Saptieh (Cairo) or Gabbary (Alexandria).

◆

### 6—Supply of Mild Steel.

Tenders will be received up to noon of 19th January 1925, for the Supply of 29 tons round mild steel ½″.

For details apply to the Stores Department, Saptieh (Cairo).

◆

### 7—Supply of Charcoal.

Tenders will be received up to noon of 19th January 1925, for the Supply of Five tons Charcoal.

For details apply to the Stores Department, Saptieh (Cairo).

◆

### 8—Supply of Steel Box Trucks and Goods Brake Vans.

Tenders will be received up to 12th, March, 1925, for the supply of 40 Steel Box Trucks and 30 Goods Brake Vans.

Copy of the Specification may be obtained against payment in advance of L.E. 1 (not accepted in postage stamps) at the Stores Department, Saptieh (Cairo), or Gabbary (Alexandria), also at the Inspecting Engineer's Office in London.

◆

### 9.—Supply of Lubricating Cotton and Woollen pads.

Tenders will be received up to noon of 19th January, 1925, for the supply of a small quantity of Lubricating cotton and woollen pads.

For details apply to the Stores Department, Saptieh (Cairo).

### 10—Supply of Garage Materials.

Tenders will be received by the Stores Department, Saptieh (Cairo), up to noon of 20th January 1925 for the supply of a small quantity of Garage Materials.

For details apply to the above address in Cairo.

### 11—Supply of Door Mats.

Tenders will be received, by the Stores Department, Saptieh (Cairo), up to noon of 20th January 1925 for the supply of

50 Fibre door mats, large 98 × 75 c/ms.
50 Ditto small 90 × 50 c/ms.

For details apply to the above address in Cairo.

### 12—Supply of Ordinary Plain Surfaced Face Towels.

The Inspecting Engineer in London, has been instructed to call for tenders, on a date to be fixed by him for the supply of 600 Ordinary Plain surfaced Face Towels. Firms who are interested should communicate with him direct.

### 13—Supply of Axles.

The Inspecting Engineer in London has been instructed to call for tenders, on a date to be fixed by him, for the supply of 745 Carriage and Wagon Axles. Firms who are interested should communicate with him direct.

### 14—Supply of Aluminium.

The Inspecting Engineer in London has been instructed to call for tenders, on a date to be fixed by him, for the supply of 500 Kilos Aluminium. Firms who are interested should communicate with him direct.

### 15—Supply of Electrical Materials.

The Inspecting Engineer in London has been instructed to call for tenders, on a date to be fixed by him, for the supply of a small quantity of Electrical Materials. Firms who are interested should communicate with him direct.

◆

**The Inspecting Engineer, to whom reference is made in some of the notices, has his Office at:—**

QUEEN ANNE'S CHAMBERS,
*Broadway, Westminster,*
LONDON, S.W.1.

### Important Notice

For certain categories of supplies the Administration maintains lists of approved firms. Those wishing to be included in them are required to allow inspection of their works.

In view of the probable revision of these lists at an early date, firms already admitted or wishing to be included are recommended to study subsequent numbers of this publication.

## Miscellaneous

### 16—Porterage of wooden sleepers at Gabbary.

Tenders will be received up to Tuesday 27th January, 1925, for the porterage of wooden sleepers at Gabbary for the period of one year.

Offers should be made on the special form attached to specification which can be obtained either from the Central Office of the Way and Works at Cairo Station or the Office of the Divisional Engineer at Gabbary against payment of 100 m/ms. per copy.

# RESULTS OF ADJUDICATIONS AND PURCHASES

## Supply of Permanent Way Materials.

*Adjudications of 27th and 29th Oct., 1924.*

BOLTS AND NUTS.

Four offers were received and the Order has been placed with Messrs. Sté. Anonyme des Boulonneries de Liège et de la Blanchisserie, at the undermentioned rates delivered Gabbary Quay :—

Bolts and Nuts No. 5 at the rate of
L.E. 13.300 Mills. per Met. Ton.

Bolts and Nuts Nos. 8 and 9 at the rate of
L.E. 16.650 Mills. per Met. Ton.

FISHPLATES AND ANGLED STOPS.

Seven offers were received and the Order has been placed with Messrs Fried Krupp Aktiengesellschaft. at the rate of £ 9.15.0 per Met. Ton delivered F.O.B. Rotterdam.

COACHSCREWS FOR TRACKS.

Ten offers were received and two Orders have been placed as follows :—

MESSRS. STÉ. ANONYME DES BOULONNERIES DE LIÈGE ET DE LA BLANCHISSERIE.

**400** Met. Tons Type A at the rate of L.E. 11.090 Mills. per Met. Ton delivered F.O.B. Antwerp.

**19** Met. Tons Type D at the rate of L.E. 14.850 Mills. per Met. Ton delivered F.O.B. Antwerp.

MESSRS. STÉ. ANONYME DES LAMINOIRS AND BOULONNERIES DU RUAU.

**400** Met. Tons Type A at the rate of 1160 Belgian Francs per Met. Ton delivered F.O.B. Antwerp.

SADDLES FOR RAILS.

Eleven offers were received and the Order has been placed with Messrs Fried, Krupp Aktiengesellschaft, at the following prices :—

Saddles Type D at L.E. 7.755 Mills. per Metrical Ton.

Saddles Type E at L.E. 10.437 Mills. per Metrical Ton, delivered Gabbary Quays.

RAILWAY RAILS.

Eleven offers were received and the Order has been placed with Messrs. Fried, Krupp Aktiengesellschaft at the price of £ 6.15.0 per Met. Ton delivered F.O.B. Rotterdam.

## Supply of Ropes.

*Adjudication of 20th November, 1924.*

Nine offers were received for the above supply and the contracts have been placed as follows :—

MR. M. L. BERMAN, CAIRO, ON BEHALF OF MESSRS HAWKINS & TIPSON LTD., LONDON.

**40** Tons Tarred Manilla Ropes 2 3/4" circumference at the price of L.E. 6.655 Mills. per 100 kilos. delivered c.i.f. Alexandria or Port-Said.

HASSAN EFF. MOHAMED HASSAN, CAIRO.

White Hemp Ropes.

| | | | |
|---|---|---|---|
| **30** kilogs. | 1/2" circumference | at the price of | 120 Mills. |
| **50** ,, | 3/4" | ,, | 110 ,, |
| **100** ,, | 2.1/4" | ,, | 90 ,, |
| **500** ,, | 2.1/2" | ,, | 90 ,, |
| **800** ,, | 3" | ,, | 90 ,, |

Above prices are per kilo for free delivery in the Administration's Stores, Cairo.

## Petty Supplies

| Supplier's Name | Description of Articles | Value | |
|---|---|---|---|
| | | L.E. | Mill. |
| Compagnie d'Entréprises Commerciales | Flat-mild steel | 7 | 891 |
| Mohd. Said El-Amoudi | Half Nabouts | 6 | 400 |
| Moring & Co. | Rubber tyre patches | 11 | 416 |
| Issa Soliman | Overcoats | 18 | — |
| Frank Ratcliffe | Round iron wire | 8 | 750 |
| Mohd. Aly El-Nimr | Zinc sheets | 9 | 250 |
| Hassan Ahmed Khattab | Lubricating cotton pads | 44 | 100 |
| Compagnie d'Entréprises Commerciales | Flat mild steel | 6 | 360 |
| Marco Sasson | Linen thread | 8 | — |
| The Central Motor House | Outer covers for motor cars | 7 | 960 |
| Bishay Mikhail & Bros. | Tarpaulins (2nd hand) | 17 | 955 |
| British Army | Plate "Tonum Cells" for Coaches | 120 | — |
| Mosseri Curiel | Pitch | 27 | 199 |
| Marco Idelson | Hair brushes | 8 | 428 |
| do. | Platform brooms | 5 | 500 |
| J. Tsambas & Co. | Paint brushes | 10 | 560 |
| do. | do. do. | 7 | 930 |
| Fanous Bros. | Scavengers Brooms | 25 | 200 |

# EGYPT PROMOTION ASSOCIATION

ESTABLISHED IN 1912.

An Advertising combine for the Promotion of TOURIST TRAFFIC IN EGYPT.

Patronized by H. M. THE KING.

Anyone who wishes to promote interest in the Country should join this Association.

Particulars can be obtained from :—

P. S. TAYLOR, Esq.,
*Secy. & Treasurer,*
*39, Sharia Manakh, — CAIRO.*

# GENERAL NOTICES

## REDUCTION OF FARES

Commencing from 1st. December, 1924, the war surtax on Main line 2nd and 3rd class fares on the E. S. R. was reduced as follows:—

2nd Class from 60% to 50%
3rd Class from 80% to 50%

For revised fares, please see notice posted up at Stations or apply to Stationmasters concerned.

A revised Barême will appear in the next issue of the Indicateur.

## ALEXANDRIA NEW STATION

## SITE FOR A TERMINUS HOTEL

An excellent site for a Terminus Hotel where accommodation could be given to the travelling public, will shortly be available on the Upper Part of Alexandria New Station.

Further particulars as to date of submission of tenders and conditions of lease will be made known later.

# EGYPT AS A WINTER RESORT

FOR

## SUNSHINE, HEALTH AND PLEASURE.

:: :: Amid ideal surroundings, with the unique attractions of an ancient civilisation, life assumes a new and radiant aspect :: ::

## UP-TO-DATE HOTELS

:: Luxurious Travelling Arrangements, Excursions to the SUDAN and the HOLY LAND contribute to make a visit to EGYPT a Dream of Delight.

# TO VISIT PALESTINE

**The most comfortable and interesting way of entering PALESTINE is *via* EGYPT An easy landing from the ship is a certainty at PORT-SAID whilst in crossing SINAI one follows a route over which the PHARAOH RAMESES II, NAPOLEON BUONAPARTE and other great figures of history have travelled.**

# TRAINS DE LUXE

Commencing from December 16th, 1924 until January 31st., 1925, Trains de Luxe, composed of Restaurant and Sleeping Cars, will run between Cairo and Luxor and vice-versa in addition to ordinary service.

**Train de Luxe No. 86.**

*Cairo dep. 7.30 p.m. — Luxor arr. 8.45 a.m.*
*On Tuesdays, Fridays and Sundays.*

**Train de Luxe No. 81.**

*Luxor dep. 7 p.m. — Cairo arr. 9 a.m.*
*On Mondays, Wednesdays and Saturdays.*

During the months of February and March 1925 the Trains de Luxe will run daily.

## : : TELEPHONE SUBSCRIBERS LISTS : :

*WIDELY CIRCULATED*

**Offers an excellent medium for Advertising.**

**: : : Available spaces *TO LET* : :**

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EGYPTIAN STATE

## WIRELESS TELEGRAPH SERVICE

**WIRELESS TELEGRAMS**
may be handed in at any
**EGYPTIAN STATE TELEGRAPH OFFICE**
from which telegrams in European languages
are sent, for transmission
to **SHIPS** either in the
**MEDITERRANEAN** or the **RED SEA**
travelling to or from **EGYPT.**

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## TELEPHONE SERVICE

Subscribers are invited to CALL and see the CENTRAL EXCHANGE and have the working explained to them.

(*TRADUCTION*)

CHEMINS DE FER, TÉLÉGRAPHES ET TÉLÉPHONES DE L'ÉTAT

BULLETIN DES ANNONCES
DES
CHEMINS DE FER DE L'ÉTAT ÉGYPTIEN

VOL. I. — No. 6 : : : : : : 15 JANVIER, 1925

## ABONNEMENTS

Les personnes que cette Publication intéresse devront se faire inscrire sur la liste de l'Administration, en s'adressant au :—

SERVICE DE LA PUBLICITÉ,
*Direction Générale,*
*des Chemins de Fer de l'Etat,*
*LE CAIRE (Egypte).*

Le montant annuel de l'abonnement est de 50 Piastres Egyptiennes. En cas d'envoi par voie Postale, le Chèque, Mandat Postal ou "Ordre Postal Egyptien" devra être libellé payable au nom de :—

Mr. LE CONTROLEUR DE LA CAISSE,
*Chemins de Fer, Télégraphes*
*et Téléphones de l'Etat*
*LE CAIRE.*

Sont également acceptés en paiement des Ordres Postaux de la Grande Bretagne pour la somme de 10sh./6p. à condition qu'ils aient été émis en dehors de l'Egypte et du Sudan.

# INVITATIONS A SOUMISSIONNER

## Matériaux et Articles de Stock

### 1.—Fourniture de Ciment Portland.

Des offres seront reçues jusqu'au 21 Février 1925 pour la fourniture de 2000 Tonnes Métriques de Ciment Portland.

On peut obtenir un exemplaire du Cahier des Charges contre paiement anticipé de 200 Mills. (non acceptables en timbres poste) au Services des Magasins à Saptieh (le Caire) ou à Gabbary (Alexandrie) ainsi qu'au Bureau de M. l'Ingénieur-Inspecteur.

### 2.—Fourniture de Camions-Automobiles, Chassis et Motocyclettes.

Des offres seront reçues jusqu'au 26 Janv. 1925 pour la fourniture de 2 Camions-automobiles, 6 Chassis et 3 Motocyclettes.

On peut obtenir un exemplaire du Cahier des Charges contre paiement anticipé de 100 Mills. (non acceptables en timbres-poste) au Service des Magasins à Saptieh (Le Caire) ou à Gabbary (Alexandrie).

### 3 — Fourniture de Poteaux Télégraphiques Créosotés.

Des offres seront reçues jusqu'au 16 Fév. 1925 pour la fourniture de 800 Poteaux Télégraphiques Créosotés.

On peut obtenir un exemplaire du Cahier des Charges contre paiement anticipé de 100 Millièmes (non acceptables en timbres poste) en s'adressant au Service des Magasins à Saptieh (le Caire) ou à Gabbary(Alexandrie)

Des offres seront également obtenues par les soins du bureau de M. l'Ingénieur Inspecteur à Londres.

### 4.—Fourniture de Fer et Acier.

Des soumissions seront reçues jusqu'au 19 Janvier, 1925, à midi, pour la fourniture d'une minime quantité de Fer et Acier.

Pour détails s'adresser au Service des Magasins à Saptieh (Le Caire).

### 5.—Fourniture d'Acier pour Outils.

Des soumissions seront reçues jusqu'au 17 Janvier, 1925, à midi pour la fourniture de 893 Kgs. Acier Anglais carré pour outils 1 $^3/_4$".

Pour détails s'adresser au Service des Magasins à Saptieh (Le Caire) ou à Gabbary, (Alexandrie).

### 6.—Fourniture d'Acier.

Des soumissions seront reçues jusqu'au 19 Janvier, 1925, à midi, four la fourniture de 29 tonnes acier rond doux $^1/_4$".

Pour détails s'adresser au Service des Magasins à Saptieh, (Le Caire).

### 7.—Fourniture de Charbon de bois.

Des soumissions seront reçues jusqu'au 19 Janvier 1925, à midi, pour la fourniture de 5 tonnes charbon en bois.

Pour détails s'adresser au Service des Magasins à Saptieh, (Le Caire).

### 8.—Fourniture de Wagons à Caisse en Acier et Fourgons de Marchandises à freins.

Des soumissions seront reçues jusqu'au 12 Mars, 1925, pour la fourniture de 40 Wagons à caisse en acier et 30 Fourgons de Marchandises à freins.

On peut obtenir un exemplaire du Cahier des Charges contre paiement anticipé de L.E. 1 (non acceptable en timbre-poste) au Service des Magasins à Saptieh, (Le Caire) ou à Gabbary, (Alexandrie) ainsi qu'au bureau de Mr. l'Ingénieur Inspecteur à Londres.

### 9.—Fourniture de Tampons graisseurs en coton et en laine.

Des soumissions seront reçues jusqu'au 19 Janvier 1925, à midi, pour la fourniture d'une minime quantité de Tampons graisseurs en coton et en laine.

Pour détails s'adresser au Service des Magasins à Saptieh (Le Caire).

### 10—Fourniture d'Articles de Garage.

Dès soumissions seront reçues par le Service des Magasins Généraux à Saptieh (Le Caire) jusqu'au 20 Janvier 1925 à midi, pour la fourniture d'une minime quantitité d'Articles de Garage.

Pour détails s'adresser aux Bureaux cidessus, au Caire.

### 11—Fourniture de Paillassons.

Des soumissions seront reçues par le Service des Magasins Généraux à Saptieh (Le Caire) jusqu'au 20 Janvier 1925 à midi, pour la fourniture de

| | | |
|---|---|---|
| 50 Petits | paillassons | 90 × 50 c/ms. |
| 50 Grands | „ | 98 × 75 c/ms. |

Pour détails s'adresser aux Bureaux cidessus, au Caire.

### 12—Fourniture d'Essuies-Mains.

M. L'Ingénieur Inspecteur à Londres a été chargé d'obtenir à une date qui sera fixée par lui des offres pour la fourniture de 600 essuies-mains. Les Maisons interessées doivent se mettre directement en rapport avec ce Fonctionnaire.

### 13.—Fourniture d'Essieux.

Mr. l'Ingénieur Inspecteur à Londres a été chargé d'obtenir, à une date qui sera fixée par lui, des offres pour la fourniture de 745 Essieux pour Voitures et Wagons. Les Maisons intéressées doivent se mettre directement en rapport avec ce Fonctionnaire.

### 14.—Fourniture d'Aluminium.

Mr. l'Ingénieur Inspecteur à Londres a été chargé d'obtenir à une date qui sera fixée par lui, des offres pour la fourniture de 500 Kilos Alumininm. Les Maisons intéressées doivent se mettre directement en rapport avec ce Fonctionnaire.

### 15.—Fourniture de Matériel Electrique

Mr. l'Ingénieur Inspecteur à Londres, a été chargé d'obtenir à une date qui sera fixée par lui, des offres pour la fourniture d'une minime quantité de Matériel Electrique. Les Maisons intéressées doivent se mettre directement en rapport avec ce Fonctionnaire.

**L'adresse de M. l'Ingénieur-Inspecteur, dont il est fait mention dans diverses annonces est la suivante:—**

QUEEN ANNE'S CHAMBERS
*Broadway, Westminster,*
LONDON, S.W.I.

### Avis Important

Pour la fourniture de certains articles, l'Administration a établi une liste de fournisseurs attitrés.

Les Etablissements désireux de figurer sur la dite liste doivent s'engager à permettre l'inspection de leurs usines et de leurs ateliers.

Ces listes devant faire, très prochainement, l'objet d'une révision, il est recommandé aux Firmes déjà inscrites, comme à celles qui désireraient être inscrites à l'avenir, de prendre connaissance avec soin des numéros subséquents de la présente publication.

## Divers.

### 16.—Factage des traverses en bois à Gabbary.

Des offres seront reçues jusqu'au Mardi 27 Janvier 1925, pour le factage des traverses en bois à Gabbary pendant une année.

Les offres devront être faites sur la formule de soumission annexée au Cahier des Charges, dont on peut obtenir un exemplaire au Service Central de la Voie et des Travaux à la Gare du Caire ou au Bureau de Monsieur l'Ingénieur Divisionnaire à Gabbary, contre paiement de 100 m/ms. (cent millièmes).

# RÉSULTATS DES ADJUDICATIONS ET ACHATS

## Fourniture de Matériel de la Voie.

*Adjudications du 27 et 29 Octobre 1924.*

### Boulons et Ecrous.

Quatre soumissions ont été reçues et la commande a été placée avec la Sté. Anonyme des Boulonneries de Liège et de la Blanchisserie, aux prix ci-dessous, pour livraison sur quai, Gabbary, savoir :—

Boulons et Ecrous No. 5 au prix de
L.E. 13.300 Mills. par Tonne Métrique.

Boulons et Ecrous No. 8 et 9 au prix de
L.E. 16.650 Mills. par Tonne Métrique.

### Eclisses et Plaques d'Arrêt.

Sept soumissions ont été reçues et la commande a été placée avec Messieurs Fried Krupp Aktiengesellschaft, au prix de £ 9.15.0 par Tonne Métrique, pour livraison franco bord, Rotterdam.

### Tirefonds pour Voie.

Dix soumissions ont été reçues et deux commandes ont été placées comme suit:—

### Sté. Anonyme des Boulonneries de Liège et de la Blanchisserie.

**400** Tonnes Métriques, Type A, au prix de L.E. 11.090 Mills. par Tonne Métrique pour livraison (franco bord), Anvers.

**19** Tonnes Métriques, Type D, au prix de L.E. 14.850 Mills. par Tonne Métrique pour livraison (franco bord), Anvers.

### Sté. Anonyme des Laminoirs et Boulonneries du Ruau,

**400** Tonnes Métriques, Type A, au prix de 1160 francs belges par Tonne Métrique, pour livraison (franco bord), Anvers.

### Selles d'Appui pour Rails.

Onze soumissions ont été reçues et la commande a été placée avec Messieurs Fried Krupp Aktiengesellschaft, aux prix suivants, savoir :—

Selles d'Appui, Type D, au prix de
L.E. 7.755 Mills. par Tonne Métrique,

Selles d'Appui, Type M, au prix de
L.E. 10.437 Mills. par Tonne Métrique, pour livraison sur quai, Gabbary.

### Rails.

Onze soumissions ont été reçues et la commande a été placée avec Messieurs Fried Krupp Aktiengesellschaft, au prix de £ 6.15. 0. par Tonne Métrique, pour livraison franco bord, Rotterdam.

## Fourniture de Cordages.

*Adjudication du 20 Novembre, 1924.*

Neuf offres ont été reçues et les contrats suivants ont été faits, savoir :—

### Monsieur M. L. Berman, au nom de MM. Hawkins et Tipson Ltd., Londres.

**40** Tonnes de Cordages goudronnés de Manilla, 2.$^{3}/_{4}$" de circonférence, au prix de L.E. 6.655 Mills. les 100 Kilos. c.a.f. Alexandrie ou Port-Said.

### Hassan Eff. Mohamed Hassan, le Caire.

Cordage en chanvre blanc,

| | | | | |
|---|---|---|---|---|
| **30** | Kilos. | $^{1}/_{2}$" | de circonférence au prix de | 120 Mills. |
| **50** | „ | $^{3}/_{4}$" | „ | 110 „ |
| **100** | „ | 2.$^{1}/_{4}$" | „ | 90 „ |
| **500** | „ | 2.$^{1}/_{2}$" | „ | 90 „ |
| **800** | „ | 3" | „ | 90 „ |

Les prix ci-dessus s'entendent par kilo pour livraison franco dans les Magasins Généraux de l'Administration au Caire.

### Fourniture de menus articles.

| Nom des Fournisseurs | Description des Articles | Valeur | | Nom des Fournisseurs | Description des Articles | Valeur | |
|---|---|---|---|---|---|---|---|
| | | L.E. | Mill. | | | L.E. | Mill. |
| Compagnie d'Entreprises Commerciales | Acier plat | 7 | 891 | Marco Sasson | Fil à coudre | 8 | — |
| Mohd. Said El-Amoudi | Nabouts | 6 | 400 | Central Motor House | Pneus pour Automobiles | 7 | 960 |
| Moring and Co. | Caoutchouc en pièces | 11 | 416 | Bishay Mikhail et Frères | Bâches | 17 | 955 |
| Issa Soliman | Pardessus | 18 | — | Armée Anglaise | Batteries pour voitures | 120 | — |
| F. Ratcliffe | Fil de fer rond | 8 | 750 | Mosseri Curiel et Co. | Goudron | 27 | 199 |
| Hassan Ahmed Khattab | Tampons Graisseurs | 44 | 100 | Marco Idelson | Brosses | 8 | 428 |
| | | | | ,, | Balais pour plateformes | 5 | 500 |
| Mohamed Aly El-Nimr | Zinc en feuilles | 9 | 250 | J. Tsambas et Co. | Brosses à peintures | 10 | 560 |
| | | | | ,, | ,, ,, | 7 | 930 |
| Compagnie d'Entreprises Commerciales | Acier rond | 6 | 360 | Fanous Frères | Balais | 25 | 200 |

# SERVICE DU TÉLÉGRAPHE SANS-FIL
## DE L'ÉTAT ÉGYPTIEN

Les Bureaux Télégraphiques de l'État, qui reçoivent les télégrammes en langue **EUROPÉENNE**, transmettent également les

***DÉPÊCHES SANS-FIL***

aux Bâteaux en partance de l'**ÉGYPTE** ou s'y rendant, et qui se trouvent dans la **MÉDITERRANÉE** ou dans la **MER ROUGE**.

---

## SERVICE DU TÉLÉPHONE

Messieurs les Abonnés sont invités à visiter le CENTRAL EXCHANGE pour se rendre compte de son fonctionnement.

# AVIS GENERAUX

## REDUCTION DU TARIF DES VOYAGEURS

A partir du 1er Décembre 1924 la majoration de guerre sur les prix des billets de 2me et 3me classe sur les voies principales des Chemins de Fer de l'Etat à été réduite comme suit:—

2me Classe de 60 % à 50 %
3me Classe de 80 % à 50 %

Pour le tarif des prix réduits, prière voir les notices affichées aux gares ou s'adresser aux chefs de gare mêmes.

Un nouveau barême des prix réduits sera publié dans la prochaine édition de l'Indicateur.

## NOUVELLE GARE D'ALEXANDRIE

## LOCAL POUR UN HOTEL TERMINUS

Un excellent local sur la nouvelle Gare d'Alexandrie sera bientôt disponible pour l'aménagement d'un Hôtel Terminus offrant tout le confort aux Voyageurs.

De plus amples détails concernant la date de soumission des offres et les conditions de location seront publiés prochainement.

acc

883.77

DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON

Inst. to Consul, and ackd. in a le/le. 4/8/25. Hec./Ch.

April 2, 1925.

A-4-C.

DEPARTMENT OF STATE
AP 6 1925
Fil
IN REPLY REFER TO 41

INDEX BUREAU
Rec'd
APR 6 1925
Dept. of State

Hon. Wilbur J. Carr,
Assistant Secretary of State,
Department of State,
Washington, D. C.

883.77/23

INDEX BUREAU

Dear Mr. Carr:

It is requested that the following letter be transmitted to the consul at Cairo, Egypt:

"The Transportation Division, of the Bureau of Foreign and Domestic Commerce, has had inquiries relative to the listed expenditures to be made by the Ministry of Communications on the Egyptian State Railways during the fiscal year 1925-1926.

"Firms listed on our Exporters' Index as interested in the goods for ordinary and special renewals were notified concerning the information received from the consulate at Cairo, dated January 24, 1925, and inquiries have been received relative to specifications and tenders for the equipment desired."

Very truly yours,

R C Miller
R. C. Miller,
Liason Officer.

APR 18 1925

ADDRESS ALL COMMUNICATIONS TO
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON, D. C.

GPO

April 10, 1925.

883.77/23

North Winship, Esquire,
American Consul,
Cairo, Egypt.

Sir:

You are directed to endeavor to procure and to submit, as soon as may be practicable, copies of any specifications and tenders which may be available in connection with the proposed purchase of railway equipment for the Egyptian State Railways mentioned in your report No. 1, dated January 24, 1925. You will also keep the Department fully informed concerning possible opportunities for the provision of railway equipment under the expenditures which have been approved for the Egyptian State Railways, and will be guided by the suggestions contained in paragraph 601 (a) of Consular Regulations.

There is enclosed, for your information, a copy of a letter written by the Transportation Division, Bureau of Foreign and Domestic Commerce, indicating that the contents of your report No. 1 have been distributed to appropriate American firms.

I am, Sir,

Your obedient servant,

For the Secretary of State:

J. BUTLER WRIGHT

Enclosure:

As stated.

883.77/23.

Apr 8 1925.

N.E.

HCC:BH.

A-C/C

FA

A true copy of the signed original.

NO. 53

883-77

INDEX BUREAU
DEPT. OF STATE

**AMERICAN CONSULATE,**
Cairo, Egypt, May 1[illegible], 1925.

DEPARTMENT OF STATE
OCT
927
ASSISTANT SECRETARY OF STATE

~~NE~~
~~Acc~~
~~EA~~

**SUBJECT:** Transmission of Specifications for Egyptian Government contracts.

1—1005

~~Instr to Legation at Cairo~~
~~6-13-25~~
~~aES/ABF.~~
a-c/c

For Distribution yes No

**THE HONORABLE**

THE SECRETARY OF STATE,
WASHINGTON.

DEPARTMENT OF STATE
SW.
JUN 6 1925
DIVISION OF
NEAR EASTERN AFFAIRS

**SIR:**

I have the honor to acknowledge instruction dated April 10, 1925, file 883.77/23, directing this office to procure and submit, as soon as practicable, copies of specifications and tenders for railway equipment proposed for purchase for the Egyptian State Railways.

In this connection reference is made to my dispatch No. 32, dated March 24th, 1925, file 610.1 enclosing a copy of a letter from the Egyptian State Railways, Telegraphs and Telephones Stores Department which plainly shows how completely this office is handicapped in the matter of tenders and specifications. An additional copy of said letter is enclosed herewith.

This situation, by which this Consulate is eliminated in such matters was created before my arrival in Egypt and it is clear that I cannot proceed as I should like to in the matter.

When ever it is possible for me to obtain information of interest, through the press or local personal connections, reports will be submitted as in the past.

I have the honor to be, Sir,

Your obedient servant,

North Winship

North Winship
American Consul

Enclosure:
Copy of letter from
Egyptian State Railways,
March 21, 1925.
File No. 610.1

INDEX BUREAU
883.77/24

FILED
OCT 1 1927

COPY

EGYPTIAN STATE RAILWAYS, TELEGRAPHS AND TELEPHONES.
STORES DEPARTMENT

No. 978.1

Cairo 21 March 1923.

Sir:

Specifications.

Supply of wooden Railway Sleepers,
Adjudication of 2nd May 25.

Supply of I.R.Armoured Hose Pipes.
Adjudication of 4th May 21.

With reference to your letters of 10th and 13th instant, applying for a copy of the Specification relating to each of the above, I beg to inform you that copies of Specifications are now only being sent to the American Trade Commissioner, at Alexandria, it being understood that, in agreement with H.E. The American Minister, it is no longer necessary to send copies to you also.

I may state that according to rule, only one copy of a Specification can be supplied to each Foreign Power.

I have the honor to be,
Sir,
Your obedient servant,

(Signed) W. M. Logan
Superintendent of Stores.

The American Consul,
American Consular Service,
Cairo.

File.
Not sent because of
personal situation
which has now been
remedied.

WRC

correct any such misunderstanding which might, as in the present instance, prevent compliance by a Consular officer with the instructions of the Department. If only one copy of such specifications can be provided, the Consulate obviously is entitled to prior consideration as the copy which he would receive would promptly reach the Bureau of Foreign and Domestic Commerce in Washington by way of the Department of State.

I am, Sir,

Your obedient servant,

For the Secretary of State:

883.77/24

AL COMMUNICATIONS TO
RETARY OF STATE
ASHINGTON, D. C.

DEPARTMENT OF STATE
WASHINGTON

No.

The Honorable
J. Morton Howell,
American Minister,
Cairo.

Sir:

The Department is informed by Consul North Winship at Cairo that in accordance with a Departmental instruction dated April 10, 1925, he applied to the Egyptian State Railways, Telegraphs, and Telephones Stores Department for copies of specifications and tenders for railway equipment proposed for purchase for the Egyptian State Railways. He was informed by the Superintendent of Stores "that copies of specifications are now only being sent to the American Trade Commissioner at Alexandria, it being understood that, in agreement with H.E. The American Minister, it is no longer necessary to send copies to you also".

It is assumed that your attitude or agreement, as above quoted, represents a misunderstanding on the part of the Superintendent of Stores, and it is suggested that it might be well for the Legation to

correct

No.

The Honorable

J. Morton Howell,

American Minister,

Cairo.

Sir:

The Department is informed by Consul North Winship at Cairo that in accordance with a Departmental instruction dated April 10, 1925, he applied to the Egyptian State Railways, Telegraphs, and Telephones Stores Department for copies of specifications and tenders for railway equipment proposed for purchase for the Egyptian State Railways. He was informed by the Superintendent of Stores "that copies of specifications are now only being sent to the American Trade Commissioner at Alexandria, it being understood that, in agreement with H.E. The American Minister, it is no longer necessary to send copies to you also".

It is assumed that your attitude or agreement, as above quoted, represents a misunderstanding on the part of the Superintendent of Stores, and it is suggested that it might be well for the Legation to correct any such misunderstanding which might, as in the present instance, prevent compliance by a Consular officer with the instructions of the Department. If only one copy of such specifications can be provided, the Consulate obviously is entitled to prior consideration as the copy which he would receive would promptly reach the Bureau of Foreign and Domestic Commerce in Washington by way of the Department of State.

I am, Sir,

Your obedient servant,

For the Secretary of State:

883.77/24

AES:ABF

A-C/C

FA HCH

NE

CR

June 26 1923

# TELEGRAM RECEIVED 178270

McL

Gray.

FROM

Alexandria.

Dated July 31, 1925.

Received 10.15 A. M.

Index Bureau
RECEIVED
JUL 31 1925
Dep't. of State

Office of Economic Adviser
AUG 12 1925
DEPARTMENT OF STATE

DEPARTMENT OF STATE
AUG 1 1925
DIVISION OF
NEAR EASTERN AFFAIRS

Phoned to Com.
11:15 A.M.
Aug. 1, 1925
KC

2 copies of Comm' file
KC

INDEX BUREAU

883.77/25

Secretary of State,

Washington.

July 31, 10 A. M.

Egyptian Government railways about next October will call for tenders ~~six~~ six hundred and fifteen thousand ordinary sleepers also eleven thousand seven hundred crossing sleepers for delivery Alexandria after first next April.

(The following for your information solely. Officially confirmed by the manager of the railways.)

GEIST.

HPD

~~STRICTLY CONFIDENTIAL~~

AUG 1 1925

ASSISTANT SECRETARY OF STATE
AUG 1 1925
File
EB

FT
AUG 13 1925

178270 [illegible]

## PARAPHRASE OF TELEGRAM FROM
## ALEXANDRIA ---- EGYPT
## July 31, 1925.

About next October the Egyptian Government railways will call for tenders for six hundred and fifteen thousand ordinary sleepers and eleven thousand seven hundred crossing sleepers for delivery at Alexandria after first of April next.

For your confidential information it may be added that the above information has been confirmed by the manager of the railways.

STRICTLY CONFIDENTIAL

GEIST.

179774

Office of Economic Adviser
AUG 14 1925
DEPARTMENT OF STATE

No. 308

AMERICAN CONSULATE,
Alexandria, Egypt,

June 29, 1925.

INDEX BUREAU
DEPT. OF STATE

1 copy of despatch & of enc. to Com. Ref. Bur letter (34) 7/30/25

SUBJECT: Trade Opportunity Relating to the Fulfilment of a contract for 350,000 railway sleepers.

AUG 15 1925

AUG 14 1925

File

DEPARTMENT OF STATE
AUG 10 1925

DEPARTMENT OF STATE
DIVISION OF [illegible] AFFAIRS
AUG 13 1925

ASSISTANT SECRETARY OF STATE
AUG

INDEX BUREAU

883.77/26

FILED
AUG 26 1925

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

Sir:

I have the honor to acknowledge the receipt of the Department's memorandum of May 7, 1925 (File No. 883.77/25) enclosing a copy of a letter from the Bureau of Foreign and Domestic Commerce regarding a trade opportunity for the sale of 350,000 railway sleepers to the Egyptian Government in connection with tenders called for May 2, 1925.

In accordance with the request of the Acting Chief of the Lumber Division of the Department of Commerce, there is enclosed herewith a list containing the names of the successful and also the unsuccessful bidders with the prices of their bids. It may be noted in this connection that a contract was adjudicated and an order was placed with The Canusa Trading Company of London for the supply of 200,000 Oregon pine sleepers at 329 milliemes (approximately $1.65) per sleeper delivered c.i.f. Gabbari, Alexandria.

The representatives who were in negotiation with the Niedermeyer-Martin Lumber Company of Portland, Oregon, received the bank's guarantee from the American firm a half hour before bids were submitted on the morning of May 2, 1925, too late to put in order papers relating to the transaction.

This office is now informed that the Egyptian State Railways will soon call for approximately 500,000 sleepers, and it is hoped that American firms will be able to avail themselves of the opportunity of furnishing this material.

I have the honor to be, Sir,

Your obedient servant,

Raymond H Geist

Raymond H. Geist,
American Consul in Charge.

Enclosure:

List containing the names of the successful and also the unsuccessful bidders, as stated.

File No.866.22.

RHG/GZ

# TENDERS FOR THE SUPPLY OF RAILWAY WOODEN SLEEPERS

Adjudication held on 2nd May 1925

**Handel Matschappy, a Petenburg (Amsterdam)**

100000 Sleepers Oak at 432 m/m Altern.B.2
Delivery 1st part from August to Dec.1925 20.000 per month

120000 Sleepers Red Wood at 315 m/m Altern.B.2
Delivery August/October 1925 60.000 per month

**Assad Bassili, Cairo**

50000 Sleepers Caramania at 357 m/m Altern.B.1
Delivery July 1926 - December 1926

**Emilio Pavicevich, Port Said**

30-40000 Sleepers Larch (Jugo-Slavia) at 360 m/m Altern B.2
Delivery 4.1/2 months after order

150-250000 Sleepers Red Pine at 280 m/m
Delivery 25-40000 in four months; remainder up to Feb.1926

60-100000 Sleepers Oak at 495 m/m
Delivery 25-30000 in 5 months; remainder Feb. 1926

60-100000 Sleepers Beach at 360 m/m
Delivery 25-30000 in 5 months; remainder Feb.1926

**Canusa Trading Company, London**

350.000 Sleepers Oregon at 329 m/m Altern. B.2
Delivery July-August fist cargo 90000
remainder in 7 or 8 weeks intervals.

350.000 Sleepers Baltic Red wood at 308 m/m
Delivery: first cargo June-July; last cargo
October 70-80000 per cargo.

**Heishmeistr. Hobgverband, Austria**

50.000 Austrian Larch at 447 m/m Altern. B.2
Delivery in 3 lots; first lot 2 months after order,
the others two every 2 months.

**Back, Manson & Hornblower**

350.000 Sleepers Oregon Pine, at 336 m/m Altern.B.2
Delivery: 1925

65-70000 Australian Jarah at 605 m/m Altern C.2
Delivery August, September, October 1925,

**British Imperial Trading Cy., Bombay**

100.000 Sleepers Cheel at 1000 m/m Altern.C.1
Delivery: 20000 July, 20000 September, 10000 Nov.20000 May,1926

100000 Sleepers Cheel at 925 m/m Altern.C.1
Delivery July 1926.

50000 Sleepers Sal at 1050 m/m Altern.C.1
Delivery various lots, last consignment July-August 1926

### Domenico Boussan, Triest

350.000 Sleepers Beach at 280 m/m Altern B.2
Immediate shipment

150.000 Sleepers Oak " 510 m/m " "
Immediate shipment

### Calders Limited

350.000 Sleepers Baltic Red Wood of Arcangel 337 m/m Alt.B.2
shipment during season.

### Allaily Timber Co.

350.000 Sleepers Caramania at 380 m/m Alt. B.1
Delivery end of December 1925

65.000 Sleepers Caramania at 370 m/m " " 1
Delivery January-July 1926

50.000 Sleepers Garamania at 365 m/m " B.1
Delivery August-December 1925

### Townsend Brothers

350.000 Sleepers Pacific Coast Lumber Certificate 333 m/m
Delivery: 100-125000 from September 1925 and following month at sellers option.

### Commercial Estates

300-350.000 Sleepers Oregon Pine, 363. 1/2 m/m Alt.B.2
Delivery from July 1925 to January 1926
Offer holds good only if a minimum order of 1/3 contract is given.

### Costi Xydia

25.000 Sleepers Caramania at 372 m/m July-Octpber 1925
25.000 " " " " " July-December 1925
10.000 " " " 395 m/m February 1926

Gherscham & Zimmermann

100.000 Sleepers Beach Jugo slavia at 349 m/m Alt.B.2
Delivery in 2 or 3 lots ending December 1925

### Karl Kramer

100.000 Sleepers Beach Jugo Slavia at 328 m/m Alt. B.2
Delivery in 4 lots ending December 1925.

### Segerwerke Arburg. (Gumming & Co.)

120.000 Sleepers Oregon Pine at 385 m/m Alt.B.2-Sept.-Nov.1925
30.000 Creosoted Pine " 450 m/m " " "-Aug.Sept. 1925

### Mustapha Kakki

10.000 Sleepers Caramania at 375 m/m Alt.B.1 July 1925-Feb.1926
100.000 " " " 370 m/m Alt.B.1 [illegible].000 April-Aug. 1926, 60.000 Sept-December, 1926.

**Aly & Mohamed El Belali**

100.000 Sleepers Caramania at 348 m/m Alt.B.1 July 1925
to May 1926

**Edgard Eid**

350.000 Sleepers Brasilian Hard Wood at 375 m/m Alt.B.2
Delivery 15.000-20.000 per month from July 1925

**Simonnet & Parmentier, Bruxelles**

30.000 Sleepers Red Fir ex Danzig at 349 m/m Alt.B.2
Delivery in 4 months

**Abd El Rahman Cherif**

8000 Sleepers Caramania at 340 m/m in Depot Damiette

**Mobadi Sing, Bahallah, Pundjah.**

20.000 Sleepers Deodar at 7 Roupies 14 annah
free on rail North Western Railway India

Sleepers Nepal Sal at 8 Roupies.

**Joseph Truska (Tcheco-Slovakia)**

150.000 Sleepers Beach at 1000 m/m Alt.B.1 80% payment with
order

**Papanicolaou**

100.000 Sleepers Rumanian Red Pine at 6 350 m/m Alt.B.2
Delivery: July -August 1925

aye

DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON August 5, 1925.

AUG 11 1925

IN REPLY REFER TO 34

Ack by memo.
Memo. to Alexandria
8/11/25

Hon. Wilbur J. Carr,
Assistant Secretary of State,
Department of State,
Washington, D. C.

INDEX BUREAU
Rec'd
AUG 8 1925
Dept of State

Attention: A-4-C.

Dear Mr. Carr:

Mr. J. C. Nellis, Acting Chief of the Lumber Division, transmits the following:

883.77/25

INDEX BUREAU
883.77/27

Referring to Report No. 178270 which transmitted a July 31 cable from Vice-Consul Geist, at Alexandria, stating that about October the Egyptian Government railways will call for tenders on railway ties for April delivery.

Vice-Consul Geist is to be highly complimented on securing this advance information. It is the kind of advance information that the Lumber Division has been anxious to secure in regard to Egyptian tie tenders. Advice as to previous tenders has not always been received in time to allow American firms to bid and the lack of time in addition to other disadvantages imposed upon American firms has so far prevented much participation in this trade which, so far as American ties are concerned, has gone largely to British Columbia.

FILED
AUG 12 1925

Vice-Consul Geist has therefore by his fine cooperation put the Lumber Division in a position to materially assist American firms to go after this business. For the purpose of protecting the Vice-Consul's source of information we shall not bring this advance information to the attention of tie exporters generally unless and until the matter may become public otherwise. Inasmuch as North American ties taken by Egypt during the last year or two have been practically all Douglas fir we are transmitting the Vice-Consul's advice to our District Offices in Seattle, Portland, and San Francisco together with a brief statement as to North American tie exports to Egypt during the past eighteen months and a list of Alexandria lumber importers and dealers. It appears that our Douglas fir tie exporters have not yet arranged connections with Egyptian firms and we therefore are sending out an up-to-date list for their advice.

ADDRESS ALL COMMUNICATIONS TO
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON, D. C.

GPO

A number of southern pine and southern hardwood firms have made arrangements with Egyptian lumber firms to handle lumber for them and we shall also bring the matter to the attention of these particular American firms. However, we are advising them that undoubtedly only Douglas fir ties will be purchased but that they may wish to take the matter up with their Egyptian connections.

All advice given to the tie export trade about this matter will be confidential and as shown the distribution will be limited. If before October the matter becomes public from other sources it may then be desirable for us to advise our lumber export trade generally but for the time being we shall restrict information to American tie exporters on the Pacific Coast and the ten or twelve southern firms which have Egyptian agents.

The Lumber Division for some time has been enjoying excellent cooperation from the Alexandria Consulate and very fully appreciates this evidence of interest and cooperation in helping us to assist the American lumber export trade.

Very truly yours,

S. H. Cross

Samuel H. Cross,
Liaison Officer.

**DEPARTMENT OF COMMERCE**

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WASHINGTON August 21, 1925.

Inst. to Consul and ackd in a/le/ler 8/29/25. Hinc./Bh.

INDEX BUREAU AUG 25 1925 Dept of State

ASSISTANT SECRETARY OF STATE AUG 26 1925 A-C DEPARTMENT OF STATE

IN REPLY REFER TO 34

Hon. Wilbur J. Carr,
Assistant Secretary of State,
Department of State,
Washington, D. C.

Attention: A-4-C

Dear Mr. Carr:

Mr. Axel H. Oxholm, Chief of the Lumber Division, transmits the following:

Referring to Report No. 179774, dated June 29, 1925, subject "Trade Opportunity Relating to the Fulfilment of a Contract for 350,000 Railway Sleepers" submitted by Consul Raymond H. Geist, Alexandria, Egypt.

In this report Consul Geist has given the Lumber Division information of considerable value and our thanks are especially due the Consul for the complete statement he secured on the May 2 Railroad Tie Adjudication.

We are issuing the report in a confidential circular to American tie exporters and are calling their particular attention to the various countries represented in the bidding and especially to the fact that India and Brazilian producers are now seeking Egyptian business. We are warning American tie firms not to negotiate with any of the Egyptian firms named with a view to arranging representation until they secure reports on the connections which Egyptian firms may have with tie shippers in competing foreign countries.

INDEX BUREAU 883.77/28

It is noted that the contract for 200,000 Douglas fir ties was placed with the Canusa Trading Company of London. It is our understanding here that the Canusa Trading Company represents the H. B. MacMillan Company of Vancouver, B. C., and that the ties under their contract will come from British Columbia.

We are particularly interested in knowing the names of the shippers, who have submitted bids through the following four concerns in Egypt all relating to Douglas fir (Oregon pine):

FILED SEP 2 1925 A

Back, Manson and Hornblower
Townsend Brothers
Commercial Estates Company
Segerwerke Arburg (Cumming & Company)

It quite recently gave the Lumber Division a great deal of pleasure to write Consul Geist and thank him for his July 31 cable advising of the probable October Egyptian Government inquiry for over 600,000 railroad ties for April delivery. Althgether the Alexandria Consulate has kept the Lumber Division well informed in regard to such matters and it is desired to take this opportunity to again express our appreciation for the excellent cooperation.

We have recently noted that Consul Ives is in the United States and we have been in correspondence with him. Consul Ives has advised us that he expects to be in Washington the last of August and will plan to accept our invitation to visit the Lumber Division.

Very truly yours,

S. H. Cross

S. H. Cross,
Liaison Officer.

August 31, 1925.

883.77/28

Ernest L. Ives, Esquire,
American Consul,
Alexandria, Egypt.

Sir:

The Department has pleasure in transmitting to you a copy of a letter from the Bureau of Foreign and Domestic Commerce, dated August 21, 1925, which expresses the appreciation of the Lumber Division for the activity of your office in providing reports upon the Egyptian market for railway ties, and contains its suggestions for your guidance in preparing a further report to supplement the information given in Consul Geist's despatch No. 308, dated June 29, 1925.

I am, Sir,

Your obedient servant,

For the Secretary of State:

JOSEPH C. GREW

**Enclosure:**

Copy of letter from the
Department of Commerce,
dated August 21, 1925.

CR
RBW
Aug 31 1925

883.77/28.

HMC:BH.

A-C/C

HCH

FA

A true copy of
the signed orig-

182018

~~NE~~
E

# TELEGRAM RECEIVED

Office of Economic Adviser
SEP 23 1925
DEPARTMENT OF STATE

McL Gray

FROM Alexandria.

RECEIVED
SEP 4 1925
Dep't. of State

DEPARTMENT OF STATE
SEP 1925
DIVISION OF NEAR EASTERN AFFAIRS

Dated September 4, 1925.

Received 12.01 P. M.

Phoned to Commerce
305 P.M. Sept. 4.

Paraphrase to Commerce
(2 copies)
SEP 5 1925

Secretary of State,

Washington.

883.77/29

INDEX BUREAU

September 4, 5 P. M.

Referring to my telegram of July 31, 10 A. M. Call for tenders sleepers has been announced officially as stated therein. On behalf of qualified local company prepared to act as agents request telegraphic communication from lumber companies desiring to submit tenders in accordance with conditions of the Egyptian Government.

GEIST.

WSB

DEPARTMENT OF STATE
C/O
SEP 4 1925
ASSISTANT SECRETARY

File EBC

FILED
SEP 28 1925

# Paraphrase of telegram from American Consul at Alexandria, Egypt,

September 4, 1925.

The Consulate refers to its telegram of July 31, 1925 regarding a report that in October, or thereabouts, the Egyptian Government railways would call for tenders for 615,000 ordinary sleepers and 11,700 crossing sleepers to be delivered at Alexandria after April 1, 1926. The Consulate states that the call for tenders has been announced officially as indicated in the previous telegram. On behalf of a qualified local company which is prepared to act as agent the Consulate requests telegraphic communications from lumber companies which desire to submit tenders in accordance with conditions prescribed by the Egyptian Government.

ACC

883.77

**DEPARTMENT OF COMMERCE**
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON

Ackd in A-C/C.
Copy with inst
to Alexandria
9/30/25
HMc/RMB.

INDEX BUREAU
Rec'd
SEP 22 1925
Dept. of State

September 17, 1925.

October 5, 1925.

ASSISTANT SECRETARY OF STATE
SEP 1925
FK

IN REPLY REFER TO 34

Hon. Wilbur J. Carr,
Assistant Secretary of State
Department of State,
Washington, D. C.

Attention A-4-C

Dear Mr. Carr:

Mr. Axel H. Oxholm, Chief of the Lumber Division, transmits the following:

883.77/29

INDEX BUREAU
883.77/30

Referring to cable received on September 4 from Vice Consul Geist of Alexandria, Egypt, in regard to the October Egyptian State Railway tender for railroad ties. The Lumber Division is greatly indebted to Vice Consul Geist for the cable advice that this October tie tender, which he had previously advised was forthcoming, has now been officially announced.

The Consul stated in this cable that on behalf of a qualified Alexandria company, which is prepared to act as agent, cable offers are requested from lumber firms desiring to submit tenders in accordance with conditions prescribed by the Egyptian government.

On September 4, within one hour after the cable was received in the Lumber Division, we had radioed the information to our District offices in Seattle, Portland and San Francisco for distribution to qualified American tie exporters only. While there are on our Pacific Coast a large number of firms equipped to export ties, there are only a few who are in a position to make arrangements to bid on Egyptian State Railway business, hence the restricted distribution. We have also advised the several Southern pine and Southern hardwood firms who already have agents in Egypt, but have told them that doubtless only Douglas fir ties will be purchased from America. For Consul Geist's information, Douglas fir is produced only in the Pacific Northwest.

FILED
OCT 5 1925

A true copy of the signed original.

I am sorry that the Vice Consul did not give us the name of the Alexandria agent for whom he is seeking connection. It seems to me that this is a good trade opportunity and should have been handled in the ordinary way. In view of the urgency of this matter, we Communicated the Consul's message to our exporters as it was received. Although we have always made it clear to our contacts that Consuls can not assume any responsibility in regard to the standing of agents and importers, I can not help but feel that it would have been a wiser plan for the Consul to give us the name of this connection, in order to enable us to check up on the firm.

The consequence will no doubt be an overburdening of correspondence and as only one exporter can be accommodated the others are bound to be disappointed. We have always found that by giving the inquirer's name to our exporters in inviting them to correspond direct we are both eliminating any possible misunderstanding in acting as transmitting agents and it also places the full burden of securing financial information in regard to the inquirer on the exporter.

It will be appreciated if the Vice Consul will kindly give us full particulars in regard to the inquirer and inform us on the matter.

Very truly yours,

O. P. Hopkins

O. P. Hopkins,
Acting Director.

October 3, 1925.

Raymond H. Geist, Esquire,

American Consul in Charge,

Alexandria, Egypt.

Sir:

The Department transmits herewith, for your information and appropriate comment, a copy of a letter dated September 17, 1925, from the Bureau of Foreign and Domestic Commerce, which refers to your cablegram of September 4, 1925, relating to the desire of a concern in Alexandria to act as agent for American firms interested in submitting bids for railway ties required by the Egyptian Government.

883.77/30

I am, Sir,

Your obedient servant,

For the Secretary of State:

Wilbur J. Carr

Enclosure:
Copy of letter (34),
September 17, 1925.

883.77/30

EDIC:DMS

A-C/C PA

ACH

CR

OCT 1 1925

A true copy of the signed original.

187995

2 copies to Com. Ret. Bur. letter (84) 8/21/25

NOV 6 1925

NO. 354

AMERICAN CONSULATE,

Alexandria, Egypt,

October 17, 1925.

INDEX BUREAU OCT 31 1925 DEPT. OF STATE

SUBJECT: Tenders for the supply of railroad sleepers: Egyptian State Railways.

A File

NOV 4 1925

883.77/31

INDEX BUREAU

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

Confidential as to business of Amer. firms.

I have the honor to acknowledge the receipt of the Department's instruction of August 31, 1925 (File No. 883.77/28) enclosing a letter from the Lumber Division of the Bureau of Foreign and Domestic Commerce requiring certain additional information to supplement that contained in my despatch No. 308 dated June 29, 1925.

Efforts have been made to obtain the names of the lumber companies represented by agents in Egypt in connection with the tenders called for by the Egyptian State Railways on May second last, and it is learnt that Back, Manson & Hornblower offered prices in behalf of the Millars Timber and Trading Company, Ltd., of London. The Commercial Estates Company assert that the bids offered by them were submitted on behalf of a local agent. Cummings & Company and Townsend Brothers have persistently evaded efforts to learn the names of their principals; and it is thought that these were Canadian or London houses. This information was not available at the office of the General Manager of the Egyptian State Railways in Cairo.

NOV 27 1925

FILED

Confidential.

The Department is informed that the 200,000 sleepers which were contracted for by the Canusa Trading Company through the tenders of May second, as previously reported, have arrived in Egypt; and the total quantity bore the stamp of the Douglas Fir Exploitation and Export Company of Seattle, Washington, which supplied the whole lot.

The American company, according to latest telegraphic advices, is now planning to tender directly through Binney, Borg and Company of this city for the million dollars worth of material presently required by the Egyptian State Railways according to tenders to be opened November 17th.

In view of the value of this contract and of its importance to American business I called upon the General Manager of the Egyptian State Railways in Cairo and obtained important concessions, whereby it became possible for American firms to offer their prices for seven days instead of forty, with the option of maintaining their bids or raising them according to fluctuations of freight rates. Reference in this respect is made to a copy of my letter to the Douglas Fir Exploitation & Export Company, Seattle, Washington, dated October 10, 1925.

It is reasonably certain that if American firms submit tenders for the supply of this material in accordance with the terms of the Egyptian Government the business will be secured; as the Canusa Trading Company appears to be the only vital competitor, which has had to secure its material from an American firm.

I have the honor to be, Sir,

Your obedient servant,

Raymond H Geist

Raymond H. Geist,
American Consul in Charge.

File No. 866.22.
RHG/GZ

193671

No. 366

**AMERICAN CONSULATE,**

Alexandria, Egypt,

November 30, 1925.

INDEX BUREAU
DEC 22 1925
DEPT. OF STATE

**SUBJECT:** Trade Opportunities - letters from the Lumber Division of the Department of Commerce.

1 copy to Com. [illegible] Bur. letter (24) 12/16/25

DEC 28 1925

**THE HONORABLE**

**THE SECRETARY OF STATE,**

**WASHINGTON.**

DEPARTMENT OF STATE
A-C/C
DEC 28 1925
ASSISTANT SECRETARY OF STATE

**SIR:**

I have the honor to acknowledge the receipt of the Department's instruction of October 3, 1925 (File No. 883.77/30) transmitting a copy of a letter received from the Lumber Division of the Bureau of Foreign and Domestic Commerce, with reference to a cable from this Consulate dated September 4, 1925, announcing definitively the official call for bids on 615,000 railway sleepers, normal gauge and 11,700 crossings, as forecasted in my cable of July 31, 1925.

9284

INDEX BUREAU
883.77/32

The primary purpose of sending the message of September 4, 1925 was to confirm officially the information privately obtained in July from the Secretary General of the Egyptian State Railroads. This confirmation, it was thought, would serve as general trade information to American lumber exporters and be consequently of special value to the Lumber Division, which undoubtedly desired to have a confirmation of the July 31st cable at the earliest possible moment.

FILED
MAR 15 1926

The cable was sent at the expense of Binney, Borg & Company; but it may be carefully observed that the wording "a qualified local company" covered any of the reliable firms applying to this office at that time for American lumber connections. In this regard reference is made to the Lumber Division's statement, to wit:

> "I am sorry that the Vice Consul did not give us the name of the Alexandria agent for whom he is seeking connection. It seems to me that this is a good trade opportunity and should have been handled in the ordinary way. In view of the urgency of this matter, we communicated the Consul's message to our exporters as it was received. Although we have always made it clear to our contacts that Consuls can not assume any responsibility in regard to the standing of agents and importers, I can not help but feel that it would have been a wiser plan for the Consul to give us the name of this connection, in order to enable us to check up on the firm.
>
> The consequence will no doubt be an overburdening of correspondence and as only one exporter can be accommodated the others are bound to be disappointed."

It may be permitted to observe that the utmost discretion is used at this end in handling these important contracts; and at the moment when the cable was sent this office was in touch with a number of reliable firms who were qualified and desired to represent American lumber exporters. The experience here has been that there is a decided need of being able to check up also on American lumber companies, as was demonstrated in connection with the May 2d tenders when the business was lost through the inability of the Niedermeyer Martin Lumber Company of Portland, Oregon to finance a contract with the Egyptian State Railways. It is obvious that if the name of the Alexandria agent had been communicated generally to the trade one firm might have received a number of offers which would have embarrassed the local representative and resulted in delay and possible damage to American houses. This situation was advisedly anticipated, and inasmuch as the time element was of considerable importance what seemed to be the wisest course was followed. Furthermore it is not understood how it might be possible to check up on a local firm more advantageously in Washington than in this city where actual contact is afforded, and where credit information is also immediately available.

It is observed also by the Lumber Division that this was a good trade opportunity and should have been handled in the ordinary way. In explanation it may be pointed out that the cables of July 31st and September 4th were purposely sent to Washington in order that these trade opportunities should be handled in the ordinary way, namely through the Lumber Division of the Department of Commerce, which Division, it was confidently felt, would be thus enabled to organize and disseminate the information to the advantage of American lumber exporters in a way that only that office could effectively perform.

The problems in connection with these tenders have to be carefully studied here; and considerable effort has been expended both in cooperating with the Lumber Division of the Department of Commerce and with American firms who were in a position to bid for these contracts. In fact, experience has shown that much detailed information, which has to be furnished American exporters contemplating making offers, is sent in response to specific questions arising during the course of the negotiations. Indeed, the only American firm which bid for this large contract on November 17th, when the tenders were opened, was the Douglas Fir Exploitation and Export Company of Seattle, Washington, with whom this office has been conducting correspondence for a considerable time past. Reference to copies of the letters which have passed between this Consulate and the above-mentioned company during the last six months will witness the large amount of work which has been performed on behalf of this firm. The actual results of the tenders are not known; as the Egyptian State Railways Administration does not announce its decision until after a period of forty days. Certain advance information has been secured and a full report in the premises for the information of the Lumber Division will be made in a few days as soon as the data is properly organized and tabulated. I am reliably informed, however, that the Douglas Fir Exploitation and Export Company bid 328 milliemes per sleeper, The Canusa Trading Company 307 milliemes and the Canadian Trading Company 322 milliemes.

Reference is also made to the Department's memorandum of November 2, 1925 (File No. 166.131/210) transmitting a copy of a letter from the Chief of the Lumber Division of the Bureau of Foreign and Domestic Commerce dated October 26, 1925 referring to a copy of a letter dated August 29, 1925 addressed by this Consulate to the Red River Lumber Company, Westwood, California. The Chief of the Lumber Division states in his communication to the Department that according to his understanding the connection between the Niedermeyer Martin Lumber Company and Binney, Borg and Company of this city was to be continuous, and consequently a communication from this Consulate recommending the same firm to the Red River Lumber Company, it was thought, would bring about "competition between American firms in respect to dealing through one agent". It is regretted that without a complete knowledge of the facts of negotiations as these are bound to develop here from day to day in the course of business transactions, so it might appear to the Lumber Division in Washington. But such was not the case. Through failure in regard to the May 2d tenders it was definitely known here that the Niedermeyer Martin Lumber Company would not be in a position to tender for a contract involving over one million dollars; and consequently the local firm proceeded to establish connections with an American company capable of financing a business transaction of the magnitude of that involved in the recent tenders.

The Chief of the Lumber Division points out "assuming that Binney, Borg and Company is a good agent, confidentially it is to be regretted that they have been connected with the Niedermeyer Martin Lumber Company, which is only a small broker not previously known to have handled any large orders". The connection was established only seven days before the closing of the tenders of May 2d last, and was the result of a telegraphic inquiry received by this Consulate from the American firm. While this office was unable to inform itself of the actual standing of the American company, it was sure of the integrity of the local representative, which assurance, it must be conceded, is the primary responsibility of American representatives in the field. The local firm undertook negotiations with the Niedermeyer Martin Lumber Company strictly on its own responsibilities. The results of these May second tenders demonstrated the fact that American companies were not seriously attempting to secure the tie contracts offered by the Egyptian State Railroads, obviously not having taken advantage of the trade opportunity previously brought to their attention. This business, as the Department has been informed, has been secured by Canadian exporters.

Being fully apprised as to the status of the foreign competition in connection with these tenders, and understanding the apathetic attitude of American companies toward these Egyptian contracts (see copies of letters addressed to Mr. Robert Dollar, President of the Dollar Steamship Line), extraordinary effort has been made by this office to bring American companies effectively into the field by overcoming as far as possible the objectionable conditions of these contracts which have hindered American firms from participating. The result of the summer's work with relation to these tie contracts has been to establish connections between the Douglas Fir Exploitation and Export Company of Seattle, Washington and Binney, Borg and Company of Alexandria, which firm received offers from no other American company. Nor did this Consulate have a single inquiry from other American firms. Nor has any other American lumber exporter tendered for these contracts, at least on a basis which has been noticed by the concurrents. This, notwithstanding the fact that the Lumber Division was furnished with reliable advance information constituting a general trade opportunity as early as July 31st. Experience in these matters, to the extent just pointed out, has indicated the vigorous methods necessarily to be pursued if these contracts are to be obtained for American business firms. It is significant to note the results of the year's work: out of two trade opportunities submitted to American lumber exporters, one for $500,000 (May 2d 1925), and one for over $1,000,000 (November 17, 1925) only one American firm has actually tendered, namely the Douglas Fir Exploitation and Export Company of Seattle, Washington, through a connection established by this Consulate as a result of considerable continuous labor and energy.

Careful note has been made of the valued observations contained in the letter dated October 26th from the Chief of the Lumber Division to the Department requesting that these trade opportunities be handled hereafter only through the Lumber Division. While this Consulate is most desirous of cooperating to the uttermost with the Lumber Division of the Department of Commerce, it must, certainly, wisely determine the proper course of action when the time element is of cardinal importance. It is confidently felt that should these negotiations have been conducted in any other manner than that followed recently in connection with the million dollar contract of November 17th, the Douglas Fir Exploitation and Export Company would not have secured the opportunity of submitting their bids.

Finally it may be generally observed that it is quite difficult to combine in the most perfect degree the specialized commercial information available both in Washington in respect to the potentialities of American business firms and here with regard to local opportunities and exigencies. American firms desiring to open negotiations in Egypt require first-hand information touching actual conditions in this country, and to this end address themselves directly to the American representatives on the spot. It is the experience of this office that through these media tangible results are achieved; and therefore it appears judicious to vouchsafe as much discretion to the field representatives regarding these important matters as may be consonant with the general interest.

I have the honor to be, Sir,

Your obedient servant,

Raymond H Geist

Raymond H. Geist,
American Consul in Charge.

File No. 866.22.

RHG/GZ

194829

NO. 371.

AMERICAN CONSULATE,

Alexandria, Egypt,

December 9. 1925.

copy of despatch
+ of enc. to Com.

JAN 4 1926

JAN 8 - 1926

SUBJECT: Trade Opportunities for Wooden sleepers

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

883.77/32

SIR:

I have the honor to refer to despatch No. 386 from this Consulate dated November 30, 1925, subject: Trade opportunities - letters from the Lumber Division of the Department of Commerce, and to transmit herewith a full statement of the tenders submitted to the Egyptian State Railways on the morning of November 17, 1925.

INDEX BUREAU
883.77/33

This information has been obtained especially for the use of the Lumber Division of the Bureaux of Foreign and Domestic Commerce, Department of Commerce.

I have the honor to be, Sir,

Your obedient servant,

Raymond H Geist

Raymond H. Geist,
American Consul in Charge.

FILED
JAN 20 1925 A

File No. 866.22

RHG/PP

## LIST OF TENDERERS FOR WOODEN RAILWAY SLEEPERS - 17th November 1925.

| Name of Tenderers | Origin of Timber | Quantity Offered | N.G. Line Sleepers Price L.E.m/ms | TURNOUTS | | | | | Alternative | Particulars of Delivery |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 3M. long Price L.E.m/ms | 3½M. long Price L.E.m/ms | 4M. long Price L.E.m/ms | 4½M. long Price L.E.m/ms | 6M. long Price L.E.m/ms | | |
| Millars | Oregon Pine | 615,000 | 0,327 | 0,485 | 0,587 | 0,630 | 0,727 | 0,968 | "B2" | Delivery in 1926 |
| " | | 70/80000 | 0,604 | | | | | | Quay Suez | April/May 1926 |
| Ymers Bark | | 20,000 | 0,595 | | | | | | "B2" | May 1926 |
| Costi Xydia | Karamania | 20,000 | 0,368 | | | | | | - | September 1926 |
| " " | | 30,000 | 0,333 | | | | | | - | December 1926 |
| Commercial Estate of Egypt | Oregon Pine | 615,000 | 0,338½ | 0,520 | 0,598 | 0,666 | 0,710 | 1,046 | "B2" | March/December 1926 |
| Townsend Bros. | " | " | 0,329 | 0,512 | 0,646 | 0,719 | 0,804 | 1,024 | "B2" | (Shipment 100,000 in (March 1926 and (100,000 every subsequent month. |
| Calders | Oregon | " | 0,348 | 0,551 | 0,634 | 0,715 | 0,825 | 1,101 | " | March to Nov. 1926 |
| " | (Baltic (Red wood (and/or (Archangel | " | 0,326 | | | | | | | During summer. |
| Canusa Trading | European Oak | 30,000 | 0,500 | 1,069 | 1,867 | 2,045 | 2,318 | 3,118 | " | |
| " " | Oregon Pine | 615,000 creosoted | 0,476 | 0,672 | 0,774 | 0,874 | 0,992 | 1,328 | " | (1st ship't 2 to 3 (months from date of (order, balance at (intervals of 2 months (until completion. |
| " " | Baltic or Archangel | 615,000 | 0,305 | | | | | | " | 1st cargo June to July 1926 |
| " " | Russian wood | 100,000 or 150,000 | 0,342 | | | | | | " | 1st cargo July 1926 and finish Oct.1926 |
| " " | Oregon Pine | 615,000 | 0,307 | 0,433 | 0,498 | 0,563 | 0,638 | 0,855 | " | 1st cargo two or 3 months from order |
| Canadian Trading | Oregon Pine | 615,000 | 0,322 | 0,453 | 0,530 | 0,600 | 0,683 | 0,913 | 3 | Shipment 50 days from date of order. |
| Douglas Fir Exploitation and Export Company. | " | 615,000 | 0,328 | 0,49[illegible] | 0,572 | 0,654 | 0,735 | 0,981 | " | (Ship't Feb./July/Aug. 1926; one or ~~two~~ (cargoes monthly at (option -- One month (earlier if offer (accepted not later (than 27th Nov.1925. |
| " " | " | - | | 0,460 | 0,536 | 0,613 | 0,689 | 0,920 | | |
| | | | alternative for crossings if accepted 6 inches. | | | | | | | |
| International Supply Co. | Baltic Red Wood | 150,000 | 0,304 | | | | | | " | (May/June/July/October (last shipment in Nov. |
| Lenkel | ? | 615,000 | ? 0,267 | 0,453 | 0,525 | 0,597 | 0,670 | 0,896 | " | |
| Bolton & Haywood | Oregon | " | 0,337 | 0,516 | 0,593 | 0,670 | 0,776 | 1,035 | " | Ship't.March/Nov.1926 |
| British Imp. Trading Co. Bombay | | " | 1,000 | 1,900 | 2,350 | 2,750 | 3,250 | 6,000 | E.S.R. Wharf P/Said | Delivery within 18 months. |
| Kennel & Bouche | ? | 10,000 | 0,465 | | | | | | | April 1926 |
| | ? | 20,000 | 0,364 | | | | | | | |
| | ? | 50,000 | 0,299 | | | | | | | |
| Abdel Rahman | Anatolia | 6,000 | 0,330 | | | | | | | |
| Aly & Mohammed | Karamanieh | 7,500 | ? 0,324 | | | | | | "B2" | Delivery April 1926 |
| " " " | | 82,500 | | | | | | | | |
| Mustapha Hakki | " | 50,000 | 0,339 | | | | | | " | " April/Oct.1926 |
| " " | " | 50,000 | 0,351 | | | | | | " | " " " |
| Alaili Timber Co. | " | 80,000 | 0,339 | | | | | | " | " May/Nov. 1926 |
| Basili | " | 30,000 | 0,359 | | | | | | " | " July/Dec. " |
| Dorman Long. | Steel Sleepers | 615,000 | £9.5.3 per ton | | | | | | " | |
| " " | | " | £8.9.6 " " | | | | | | f.o.o. Middlesbro' | |
| | " | " | £8.-.- " " | | | | | | " | " commence after 6 weeks from receipt of order. |

K

**DEPARTMENT OF COMMERCE**

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WASHINGTON

NO [illegible] BUREAU
Rec'd
DEC 19 1925
Dept. of State

December 16, 1925.

Hon. Wilbur J. Carr,
Assistant Secretary of State,
Department of State,
Washington, D. C.

IN REPLY REFER TO 34

Ack by memo 12/28/25

Attention: A-4-C

883.77/284

Dear Mr. Carr:

Mr. J. C. Nellis, Acting Chief of the Lumber Division, transmits the following.

Reference is made to October 10 letters addressed by Consul Raymond H. Geist, Alexandria, Egypt, to the Douglas Fir Exploitation & Export Company at Seattle and Messrs. J.J.Moore & Co., Inc., San Francisco. Reference is also made to October 21 letter from Consul Geist to Mr. Robert Dollar, President of the Dollar Steamship Company, San Francisco.

It is noted that the Dollar Steamship Company has an agent in Egypt, but that the other two firms have none and that Consul Geist has apparently referred inquiries from both the Douglas Fir Exploitation & Export Company and Messrs. J. J. Moore & Co. to the same contractor, i.e. Messrs. Binney, Borg & Company.

It will be appreciated if you will be good enough to refer to our letter of October 28, referring to previous letters addressed by Consul Geist in regard to Egyptian tie tenders to the Red River Lumber Company, Westwood, California, and the Niedemeyer Martin Lumber Company, Portland, Oregon.

It is to be regretted that the Consul referred all four American firms interested in tie business to the one tie contractor. Should two or more of these firms have submitted bids to Messrs. Binney, Borg & Company for submission to the Egyptian State Railways, Binney Borg & Company would be in a position to play these American firms against each other as for instance submit only the bid of the particular firm that might agree to give him the largest commission.

JAN 8 1926

Another element in the situation is the fact that the Consul is not in a position to know the character of the American firms who may place their interests in his hands in seeking an Egyptian agent to handle bids on ties. While the Douglas Fir Exploitation & Export Company is our largest lumber export corporation and capable of carrying out any undertaking they may make and Messrs. J.J.Moore & Company are also one of our largest lumber export firms, the two previous firms addressed by the Consul are, for reasons specified in our previous correspondence, not in a position to undertake Egyptian tie business.

The Lumber Division has been greatly indebted to Consul Geist for his enterprise in getting fast information to us when tie business is in prospect and giving us considerable information on the business. We should like especially to compliment him upon his letters of October 10 and 21 to the firms above noted, in which he advises them so well as to the method of selling ties to the Egyptian government. His statements are so pertinent that we are taking extracts from these letters to put into a Circular on "Egyptian State Railway Tie Purchase Methods", credited to Consul Geist, which we shall send to tie exporters interested in arranging to bid on later Egyptian government business.

In these particular letters, there is the reference to requirements which would exclude small firms in this Country from bidding. There is the requirement calling on the bidder to put in a Banker's letter of credit covering one-tenth of the value of the material. There is also the requirement that successful bidders must carry the material on their own account until it arrives in Egypt. Such requirements would automatically exclude many of our tie exporters and the Consul will, therefore, understand our feeling that American interests would be best served if he will be good enough to cooperate with the Lumber Division in encouraging any American lumber firms whom he does not know to submit bids.

For the Consul's information, a list of the bids tendered at the November 17 adjudication have been received in this Country and also through different sources we have been informed of the allocation of one cargo to the Pacific Coast, apparently for a Canadian firm from Canosa, one cargo to Turkey and the readvertisement of the balance.

Very truly yours,

S.H. Cross

S. H. Cross,
Liason Officer.

December 16, 1926.

Hon. Wilbur J. Carr, 34
Assistant Secretary of State,
Department of State,
Washington, D. C.

Attention: A-4-C

Dear Mr. Carr:

Mr. J. C. Nellis, Acting Chief of the Lumber Division, transmits the following.

Reference is made to October 10 letters addressed by Consul Raymond H. Geist, Alexandria, Egypt, to the Douglas Fir Exploitation & Export Company at Seattle and Messrs. J.J.Moore & Co., Inc., San Francisco. Reference is also made to October 21 letter from Consul Geist to Mr. Robert Dollar, President of the Dollar Steamship Company, San Francisco.

It is noted that the Dollar Steamship Company has an agent in Egypt, but that the other two firms have none and that Consul Geist has apparently referred inquiries from both the Douglas Fir Exploitation & Export Company and Messrs. J. J. Moore & Co. to the same contractor, i.e. Messrs. Binney, Borg & Company.

It will be appreciated if you will be good enough to refer to our letter of October 28, referring to previous letters addressed by Consul Geist in regard to Egyptian tie tenders to the Red River Lumber Company, Westwood, California, and the Niedermeyer Martin Lumber Company, Portland, Oregon.

It is to be regretted that the Consul referred all four American firms interested in tie business to the one tie contractor. Should two or more of these firms have submitted bids to Messrs. Binney, Borg & Company for submission to the Egyptian State Railways, Binney Borg & Company would be in a position to play these American firms against each other as for instance submit only the bid of the particular firm that might agree to give him the largest commission.

Another element in the situation is the fact that the Consul is not in a position to know the character of the American firms who may place their interests in his hands in seeking an Egyptian agent to handle bids on ties. While the Douglas Fir Exploitation & Export Company is our largest lumber export corporation and capable of carrying out any undertaking they may make and Messrs. J.J.Moore & Company are also one of our largest lumber export firms, the two previous firms addressed by the Consul are, for reasons specified in our previous correspondence, not in a position to undertake Egyptian tie business.

The Lumber Division has been greatly indebted to Consul Geist for his enterprise in getting fast information to us when tie business is in prospect and giving us considerable information on the business. We should like especially to compliment him upon his letters of October 10 and 21 to the firms above noted, in which he advises them as well as to the method of selling ties to the Egyptian government. His statements are so pertinent that we are taking extracts from these letters to put into a Circular on "Egyptian State Railway Tie Purchase Methods", credited to Consul Geist, which we shall send to tie exporters interested in arranging to bid on later Egyptian government business.

In these particular letters, there is the reference to requirements which would exclude small firms in this country from bidding. There is the requirement calling on the bidder to put in a banker's letter of credit covering one-tenth of the value of the material. There is also the requirement that successful bidders must carry the material on their own account until it arrives in Egypt. Such requirements would automatically exclude many of our tie exporters and the Consul will, therefore understand our feeling that American interests would be best served if he will be good enough to cooperate with the Lumber Division in encouraging any American lumber firms whom he does not know to submit bids.

For the Consul's information, a list of the bids tendered at the November 17 adjudication have been received in this Country and also through different sources we have been informed of the allocation of one cargo to the Pacific Coast, apparently for a Canadian firm from Genoa, one cargo to Turkey and the readvertisement of the balance.

Very truly yours,

S. H. Greene,
Liaison Officer.

jmd/aa

Alexandria, Egypt,
October 10, 1925.

This [illegible]
[illegible]
NOV 4 1925

Messrs. J.J.Moore & Co., Inc.,
231 Pine Street,
San Francisco, California.

Gentlemen:

Reference is made to your correspondence with Binney, Borg and Company of this city, regarding tenders which are being called for by the Egyptian State Railways for the supply of 615,000 standard guage sleepers and 11,700 crossings, I desire to inform you that this office has been advised by the local firm that in a recent cable you have expressed your intention of making an offer for the supply of this material, and in this connection have desired further particulars. Copies of letters addressed to you on the third and eighth of this month by Messrs. Binney, Borg & Company have been exhibited to this office, together with the telegraphic correspondence which has passed between your houses.

When it came to the knowledge of this Consulate that your firm had decided to make an offer in connection with these important contracts, it was decided to present various questions touching these contracts to the proper authorities of the Egyptian State Railways with a view to eliminating

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as far as possible the difficulties which have prevented American firms heretofore from securing this business. In your behalf, therefore, I have taken the opportunity of interviewing personally Mr. G.H.Griffith, Acting General Manager, and Major R. George Griffin, Secretary General of the Egyptian State Railways in Cairo; and take pleasure in reporting to you the results of the interviews:

It may be first observed that the actual management of the Egyptian State Railways is directed by competent Englishmen, who are persons of utter responsibility, and eminently capable in the administrative duties of their office. This fact, it is thought, may have some bearing upon the question of the practicability of American firms' entering into contracts abroad involving large sums; and may indicate partially, in this specific instance, the business capacity of the parties with whom you contemplate dealing.

Regarding the matter of reducing the period of your offer from forty days to seven, I was informed by the General Manager that your tender could contain the stipulation that your offer is for acceptance before the expiration of seven days, and that it could be renewed by you telegraphically for a further period of seven or ten days, according as you should choose, and so on to the date when final decision would be made. In the meantime if you were unable, on account of the fluctuation of freight rates, to offer the same C.I.F. price, your quotation could be advanced in accordance with the increase of freight rates. The General Manager observed, however, that in case freight rates decreased and you were inclined to offer a price slightly lower than that originally quoted, your subsequent offers could not be entertained if lower than the minimum first quoted. The reason for this is obvious.

Your offer valid for seven days (and it may be suggested that ten days or fifteen would be more practicable, if you could obtain firm freight rates for this longer period) would only be renewed by you if it should be found upon opening the bids on November 17th that your prices were the lowest and your dates of delivery the earliest of those presented. The General Manager stated that on opening the tenders on November 17th, when offers are made public, your agents would be in a position to inform you whether or not your conditions were in the running; and it is consequently apparent that a bid quoting prices C.I.F. for seven days would fully serve the purpose. If your bids were lower by a small margin than those offered by your competitors, you would still have an opportunity after the expiration of the seven days to raise your prices almost to those of the next lowest bidder. As to these margins you would be fully informed by your agent.

The question of deliveries was also brought up in the interview.

I learned that the Egyptian Government has appropriated sufficient funds available during the present fiscal year ending March 31, 1926 to pay for the material now desired; and the management, in order to use the appropriations of the current fiscal year, is especially anxious to get these sleepers at the earliest possible date. If deliveries could be guaranteed for the months of January, February and March of next year, I am confident that this would be an important factor in securing the contract. Important works of renewing the lines have been interrupted on account of not having secured the materials required. If in making your offer you cannot guarantee deliveries of the whole quantity before April 1st, it might be advisable to specify the quantities for which you could make deliveries before that date.

Regarding dates of payment, the General Manager informed me that the Egyptian Government will not deposit a letter of credit or other securities against which the shipper can draw. This is contrary to the policy of the Government, which obligates itself to pay promptly for the material as soon as it arrives. Ninety per cent of the value of the shipment is paid for on arrival, and the balance shortly afterwards.

The Egyptian Government is absolutely capable of paying, having at this time a net balance in the National Bank of Egypt, through which payments are made, of approximately $94,000,000.

It is obvious that the Cannes Trading Company of London, which is now making shipments of sleepers to Egypt, has been able to finance the contracts made last May; and is proceeding strictly in accordance with the terms of the Egyptian Government. The preeminent financial question confronting American firms interested in supplying the Egyptian Government is undoubtedly that of capital. If you are unable to wait for payment until the material arrives in Egypt, that is, carry the lumber on your own account until it arrives in this country, you are not in a position to make an offer. If you are unable to guarantee the fulfilment of your contracts by a Banker's letter of credit covering ultimately one tenth of the value of the material involved, there is no use tendering; for the Egyptian Government requires adequate protection against failure on the part of a firm tendering to fulfil its contract. As pointed out the Egyptian Government has already suffered considerable damage in failing to obtain sleepers lately contracted for in Turkey, the consequence being that an important and urgent program of renewals of ways has been seriously delayed. The financial guarantee required does not involve the actual deposit of funds in Egypt; but merely a Banker's guarantee that your firm will fulfil its contract. Firms of responsibility are, of course, always in a position to guarantee their business covenants. The original deposit of 500 Egyptian pounds which must accompany the tender is a condition necessarily imposed in order to eliminate irresponsible persons from making offers, as considerable expense and work is involved in examining the offers and samples. This, of course, is immediately returned if the offer is rejected.

Lastly there is the question of inspecting the materials at the point of shipment. The Egyptian State Railways Administration is prepared to name an official delegate to inspect and pass the materials before loading in the United States; and this condition may be stipulated in your offer. This eliminates the risk of rejection here; and if the material is according to specifications and samples, properly cut and shipped, the rejections here should be solely of those pieces damaged enroute, and consequently covered by insurance.

I am of the opinion that inasmuch as the Egyptian State Railways Administration is urgently in need of this material and it is known that deliveries of Karmania sleepers from Turkey are not to be depended upon, it will be necessary to secure these supplies from Canada or from the United States. Deliveries effected from Vancouver by the Cannes Trading Company of London have been satisfactory; but it is questionable whether or not this firm is able to deliver the large quantities presently required. However, it is thought Canadian competition will be your most serious obstacle in securing the contract; therefore if you could reliably inform yourself as to the present cost of delivering sleepers from Vancouver, you might have actual knowledge of the bases of prices which will be quoted here when the tenders are open.

While this Consulate has endeavored to serve your interests in the way it has deemed most proper and efficacious, it cannot, of course, assume any responsibility for the results of transactions you may enter into with the Egyptian Government or with the local firm named in this letter.

If it is possible to render further service you may be assured that your enquiries will receive prompt attention.

I am, Gentlemen,

Very respectfully yours,

Raymond H Geist

Raymond H. Geist,
American Consul in Charge.

File No. 866.22

RHG:GSA

Alexandria, Egypt.

October 10, 1925.

NOV 1925
This copy must
be returned to
- Room 374½

Douglas Fir Exploitation & Export Co.,
1125 Henry Bldg.,
Seattle, Washington.

Gentlemen:

Referring to a letter from this Consulate dated August 8th last, and to your correspondence with Binney, Borg and Company of this city regarding tenders which are being called for by the Egyptian State Railways for the supply of 615,000 standard guage sleepers and 11,700 crossings, I desire to inform you that this office has been advised by the local firm that in a recent cable you have expressed your intention of making an offer for the supply of this material, and in this connection have desired further particulars. Copies of letters addressed to you on the third and eighth of this month by Messrs. Binney, Borg & Company have been exhibited to this office, together with the telegraphic correspondence which has passed between your houses.

When it came to the knowledge of this Consulate that your firm had decided to make an offer in connection with these important contracts, it was decided to present the points, raised in your letters, to the proper authorities of the Egyptian State Railways with a view to eliminating as far as possible the difficulties which have prevented American firms heretofore from securing this business. In your behalf, therefore, I have taken the opportunity of interviewing personally Mr. G. H. Griffith, Acting General Manager, and Major E. George Griffin, Secretary General of the Egyptian State Railways in Cairo; and take pleasure in reporting to you the results of the interviews:

It may be first observed that the actual management of the Egyptian State Railways is directed by competent Englishmen, who are persons of utter responsibility, and eminently capable in the administrative duties of their office. This fact, it is thought, may have some bearing upon the question of the practicability of American firms' entering into contracts abroad involving large sums; and may indicate partially, in this specific instance, the business capacity of the parties with whom you contemplate dealing.

Regarding the matter of reducing the period of your offer from forty days to seven, I was informed by the General Manager that your tender could contain the stipulation that your offer is for acceptance before the expiration of seven days, and that it could be renewed by you telegraphically for a further period of seven or ten days, according as you should choose, and so on to the date when final decision would be made. In the meantime if you were unable, on account of the fluctuation of freight rates, to offer the same C.I.F. price, your quotation could be advanced in accordance with the increase of freight rates. The General Manager observed, however, that in case freight rates decreased and you were inclined to offer a price slightly lower than that originally quoted, your subsequent offers could not be entertained if lower than the minimum first quoted. The reason for this is obvious.

Your offer valid for seven days (and it may be suggested that ten days or fifteen would be more practicable, if you could obtain firm freight rates for this longer period) would only be renewed by you if it should be found upon opening the bids on November 17th that your prices were the lowest and your dates of delivery the earliest of those presented. The General Manager stated that on opening the tenders on November 17th, when offers are made public, your agents would be in a position to inform you whether or not your conditions were in the running; and it is consequently apparent that a bid quoting prices C.I.F. for seven days would fully serve the purpose. If your bids were lower by a small margin than those offered by your competitors, you would still have an opportunity after the expiration of the seven days to raise your prices almost to those of the next lowest bidder. As to these margins you would be fully informed by your agent.

The question of deliveries was also brought up in the interview.

I learned that the Egyptian Government has appropriated sufficient funds available during the present fiscal year ending March 31, 1926 to pay for the material now desired; and the management, in order to use the appropriations of the current fiscal year, is especially anxious to get these sleepers at the earliest possible date. If delivieres could be guaranteed for the months of January, February and March of next year, I am confident that this would be an important factor in securing the contract. Important works of renewing the lines have been interrupted on account of not having secured the materials required. If in making your offer you cannot guarantee deliveries of the whole quantity before April 1st, it might be advisable to specify the quantities for which you could make deliveries before that date.

Regarding dates of payment, the General Manager informed me that the Egyptian Government will not deposit a letter of credit or other securities against which the shipper can draw. This is contrary to the policy of the Government, which obligates itself to pay promptly for the material as soon as it arrives. Ninety per cent of the value of the shipment is paid for on arrival, and the balance shortly afterwards.

As has been previously pointed out to you, the Egyptian Government is absolutely capable of paying, having at this time a net balance in the National Bank of Egypt, through which payments are made, of approximately $94,000,000.

It is obvious that the Canusa Trading Company of London, which is now making shipments of sleepers to Egypt, has been able to finance the contracts made last May; and is proceeding strictly in accordance with the terms of the Egyptian Government. The preeminent financial question confronting American firms interested in supplying the Egyptian Government is undoubtedly that of capital. If you are unable to wait for payment until the material arrives in Egypt, that is, carry the lumber on your own account until it arrives in this country, you are not in a position to make an offer. If you are unable to guarantee the fulfilment of your contracts by a Banker's letter of credit covering ultimately one tenth of the value of the material involved, there is no use tendering; for the Egyptian Government requires adequate protection against failure on the part of a firm tendering to fulfil its contract. As pointed out the Egyptian Government has already suffered considerable damage in failing to obtain sleepers lately contracted for in Turkey, the consequence being that an important and urgent program of renewals of ways has been seriously delayed. The financial guarantee required does not involve the actual deposit of funds in Egypt; but merely a Banker's guarantee that your firm will fulfil its contract. Firms of responsibility are, of course, always in a position to guarantee their business covenants. The original deposit of 500 Egyptian pounds which must accompany the tender is a condition necessarily imposed in order to eliminate irresponsible persons from making offers, as considerable expense and work is involved in examining the offers and samples. This, of course, is immediately returned if the offer is rejected.

Lastly there is the question of inspecting the materials at the point of shipment. The Egyptian State Railways Administration is prepared to name an official delegate to inspect and pass the materials before loading in the United States; and this condition may be stipulated in your offer. This eliminates the risk of rejection here; and if the material is according to specifications and samples, properly cut and shipped, the rejections here should be solely of those pieces damaged enroute, and consequently covered by insurance.

I am of the opinion that inasmuch as the Egyptian State Railways Administration is urgently in need of this material and it is known that deliveries of Karmania sleepers from Turkey are not to be depended upon, it will be necessary to secure these supplies from Canada or from the United States. Deliveries effected from Vancouver by the Canusa Trading Company of London have been satisfactory; but it is questionable whether or not this firm is able to deliver the large quantities presently required. However, it is thought Canadian competition will be your most serious obstacle in securing the contract; therefore if you could reliably inform yourself as to the present cost of delivering sleepers from Vancouver, you might have actual knowledge of the bases of prices which will be quoted here when the tenders are open.

While this Consulate has endeavored to serve your interests in the way it has deemed most proper and efficacious, it cannot, of course, assume any responsibility for the results of transactions you may enter into with the Egyptian Government or with the local firm named in this letter.

If it is possible to render further service you may be assured that your enquiries will receive prompt attention.

I am, Gentlemen,

Very respectfully yours,

Raymond H Geist
Raymond H. Geist,
American Consul in Charge.

File No. 866.22.

RHG/GZ

2

Alexandria, Egypt,

NOV 18 1925

October 21, 1925.

Mr. Robert Dollar, President,
Dollar Steamship Company,
San Francisco, Calif.

This copy must
be returned to
- - - Room 374½

Sir:

Referring to a letter from this Consulate dated August 12, 1925, I have to inform you that tenders have been called for by the Egyptian State Railways for the supply of the following material:

| | | | | | | |
|---|---|---|---|---|---|---|
| Sleepers | for | Normal guage line | | | | 615,000 |
| " | " | Turnouts | 3m. | 00 | long | 3,300 |
| " | " | " | 3m. | 5 | " | 4,200 |
| " | " | " | 4m. | 60 | " | 1,800 |
| " | " | " | 4m. | 50 | " | 2,100 |
| " | " | " | 6m. | 00 | " | 300 |

Tenders must be submitted by 10:00 A.M. on November 17, 1925. Samples must consist of two sections 3½ feet in length. The actual dimensions of the sleepers required are contained in the specifications which have been sent to you by your local agent.

In quoting c.i.f. Gabbary, Alexandria price must include about sixteen cents per ton weight of cargo for discharging sleepers from steamer's holds to quay.

Regarding the various questions which have been raised by American firms concerning the conditions of these tenders you are informed that in behalf of American companies interested I have taken the opportunity of interviewing personally Mr. G. H. Griffith, Acting General Manager, and Major E. George Griffin, Secretary General of the Egyptian State Railways in Cairo; and take pleasure in reporting to you the results of the interviews:

It may be first observed that the actual management of the Egyptian State Railways is directed by competent Englishmen, who are persons of utter responsibility, and eminently capable in the administrative duties of their office. This fact, it is thought, may have some bearing upon the question of the practicability of American firms' entering into contracts abroad involving large sums; and may indicate partially, in this specific instance, the business capacity of the parties with whom you contemplate dealing.

Regarding the matter of reducing the period of your offer from forty days to seven, I was informed by the General Manager that your tender could contain the stipulation that your offer is for acceptance before the expiration of seven days, and that it could be renewed by you telegraphically for a further period of seven or ten days, according as you should choose, and so on to the date when final decision would be made. In the meantime if you were unable, on account of the fluctuation of freight rates, to offer the same C.I.F. price, your quotation could be advanced in accordance with the increase of freight rates. The General Manager observed, however, that in case freight rates decreased and you were inclined to offer a price slightly lower than that originally quoted, your subsequent offers could not be entertained if lower than the minimum first quoted. The reason for this is obvious.

Your offer valid for seven days (and it may be suggested that ten days or fifteen would be more practicable, if you could obtain firm freight rates for this longer period) would only be renewed by you if it should be found upon opening the bids on November 17th that your prices were the lowest and your dates of delivery the earliest of those presented. The General Manager stated that on opening the tenders on November 17th, when offers are made public, your agents would be in a position to inform you whether or not your conditions were in the running; and it is consequently apparent that a bid quoting prices C.I.F. for seven days would fully serve the purpose. If your bids were lower by a small margin than those offered by your competitors, you would still have an opportunity after the expiration of the seven days to raise your prices almost to those of the next lowest bidder. As to these margins you would be fully informed by your agent.

The question of deliveries was also brought up in the interview.

I learned that the Egyptian Government has appropriated sufficient funds available during the present fiscal year ending March 31, 1926 to pay for the material now desired; and the management, in order to use the appropriations of the current fiscal year, is especially anxious to get these sleepers at the earliest possible date. If deliveries could be guaranteed for the months of January, February and March of next year, I am confident that this would be an important factor in securing the contract. Important works of renewing the lines have been interrupted on account of not having secured the materials required. If in making your offer you cannot guarantee deliveries of the whole quantity before April 1st, it might be adviseble to specify the quantities for which you could make deliveries before that date.

Regarding dates of payment, the General Manager informed me that the Egyptian Government will not deposit a letter of credit or other securities against which the shipper can draw. This is contrary to the policy of the Government, which obligates itself to pay promptly for the material as soon as it arrives. Ninety per cent of the value of the shipment is paid for on arrival, and the balance shortly afterwards.

The Egyptian Government is absolutely capable of paying, having at this time a net balance in the National Bank of Egypt, through which payments are made, of approximately $94,000,000.

It is obvious that the Canusa Trading Company of London, which is now making shipments of sleepers to Egypt, has been able to finance the contracts made last May; and is proceeding strictly in accordance with the terms of the Egyptian Government. The preeminent financial question confronting American firms interested in supplying the Egyptian Government is undoubtedly that of capital. If you are unable to wait for payment until the material arrives in Egypt, that is, carry the lumber on your own account until it arrives in this country, you are not in a position to make an offer. If you are unable to guarantee the fulfilment of your contracts by a Banker's letter of credit covering ultimately one tenth of the value of the material involved, there is no use tendering; for the Egyptian Government requires adequate protection against failure on the part of a firm tendering to fulfil its contract. As pointed out the Egyptian Government has already suffered considerable damage in failing to obtain sleepers lately contracted for in Turkey, the consequence being that an important and urgent program of renewals of ways has been seriously delayed. The financial guarantee required does not involve the actual deposit of funds in Egypt; but merely a Banker's guarantee that your firm will fulfil its contract. Firms of responsibility are, of course, always in a position to guarantee their business covenants.

The original deposit of 500 Egyptian pounds which must accompany the tender is a condition necessarily imposed in order to eliminate irresponsible persons from making offers, as considerable expense and work is involved in examining the offers and samples. This, of course, is immediately returned if the offer is rejected.

Lastly there is the question of inspecting the materials at the point of shipment. The Egyptian State Railways Administration is prepared to name an official delegate to inspect and pass the materials before loading in the United States; and this condition may be stipulated in your offer. This eliminates the risk of rejection here; and if the material is according to specifications and samples, properly cut and shipped, the rejections here should be solely of those pieces damaged enroute, and consequently covered by insurance.

I am of the opinion that inasmuch as the Egyptian State Railways Administration is urgently in need of this material and it is known that deliveries of Karmania sleepers from Turkey are not to be depended upon, it will be necessary to secure these supplies from Canada or from the United States. Deliveries effected from Vancouver by the Cannon Trading Company of London have been satisfactory; but it is questionable whether or not this firm is able to deliver the large quantities presently required. However, it is thought Canadian competition will be your most serious obstacle in securing the contract; therefore if you could reliably inform yourself as to the present cost of delivering sleepers from Vancouver, you might have actual knowledge of the bases of prices which will be quoted here when the tenders are open.

In case you decide to tender you should cable your agents prices before November 17th, who can fill out the tenders here. A letter of guarantee covering one tenth of the value of the contract should be cabled in favor of the Auditor, Egyptian State Railways. This may be sent through your bankers in San Francisco, or preferably through London Bankers with instructions to remit through the National Bank of Egypt, which is conversant with these forms of financial guaranty.

While this Consulate has endeavored to serve your interests in the way it has deemed most proper and efficacious, it cannot, of course, assume any responsibility for the results of transactions you may enter into with the Egyptian Government.

If it is possible to render further service you may be assured that your enquiries will receive prompt attention.

I am, Sir,

Very respectfully yours,

Raymond H. Geist

Raymond H. Geist,
American Consul in Charge.

File No. 866.22.
RHG/GZ

DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON

INDEX BUREAU
Rec'd
OCT 29 1925
Dept. of State

October 26, 1925.

DEPARTMENT OF STATE
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OCT 30 1925
ASSISTANT SECRETARY OF STATE

IN REPLY REFER TO 34
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memo. Alexandria
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Hon. Wilbur J. Carr,
Assistant Secretary of State,
Department of State,
Washington, D. C.

Attention: A-4-C

Dear Mr. Carr:

Mr. Axel H. Oxholm, Chief of the Lumber Division, transmits the following.

Reference is made to August 29 letter addressed to the Red River Lumber Company, Westwood, California, by Consul Raymond H. Geist, Alexandria, Egypt.

The Consul states that a letter regarding railroad ties from the Red River Lumber Company had been referred to Binney Borg Lumber Company, who have already communicated with the Red River Lumber Company regarding tie business. Apparently this correspondence has been in connection with the October tie tender of the Egyptian State Railways.

NOV 8 1925

Last Spring, the Alexandria Consulate was instrumental in making a connection between Binney Borg & Company and the Niedemeyer Martin Lumber Company, Portland, Oregon, for the purpose of entering the bid of the latter firm in the May 1 adjudication for ties for the Egyptian State Railways.

It was understood by the Lumber Division that the connection between Binney Borg & Company and the Niedemeyer Martin Lumber Company was to be continuous in respect to bids on tie tenders. If our understanding is correct, competition between American firms in respect to dealing through one agent may have been brought about by the new tentative connection between Binney Borg & Company and the Red River Lumber Company.

The Lumber Division has had several occasions to be grateful to Consul Geist for his very timely and prompt advice on different matters. In the present case, we know that he is actuated only by a desire to serve American firms. However, he is operating at a distinct disadvantage in not being acquainted with the different American firms, not knowing the character of their business, the kinds of wood they produce, or their ability to get out the material in question. For Consul's information, the Niedemeyer Martin Lumber Company is an enterprising but small firm of brokers, while the Red River Lumber Company is one of the largest and most substantial lumber manufacturers and owners of large timber areas. On the other hand, the Niedemeyer Martin Company is located in the Douglas fir region, while the Red River Lumber Company is in a region where California white pine predominates with some little Douglas fir. There is no question as to the ability of the Red River Lumber Company to carry out any contract it may make, but so few Douglas fir ties can be produced in California in comparison to the quantity that can be produced in Oregon and Washington that it does not seem to us in the Lumber Division quite the right thing to do to apparently encourage the Red River Lumber Company in connection with Egyptian tie tenders.

Consul Geist will have noticed from our letters acknowledging his July 31 cable on the October tie tender that we were passing the information on especially to lumber firms that have agents in Egypt or Douglas fir firms on the Pacific Coast that could arrange such representation.

We are well acquainted with the Red River Lumber Company and know that they have not paid much attention to exporting and are consequently inexperienced in export matters. We have been working with them for several months on the proposition of lining up their trade in various foreign markets. We have the feeling that despite their long success in the domestic trade they have not as yet had sufficient experience in the export field to do business in Egypt.

I have written above at some length for the purpose of pointing out to Consul Geist our reasons for asking that he refer such inquiries in the future to the Lumber Division, unless there is a time element. Assuming that Binney Borg and Company is a good agent, confidentially it is to be regretted that they have been connected with the Niedemeyer Martin Lumber Company, which is only a small broker not previously known to have handled any large orders. The Lumber Division maintains a confidential file of American lumber exporters and their foreign agents and uses this file, without disclosing existing connections, in arranging additional agency connections for American exporters. In this work, we always avoid any action that would give one foreign agent two or more American shippers of the same product, because this would only bring about competition between these American firms.

I am sure that Consul Geist will see that it will be for the best interest of American business if such inquiries might hereafter be referred to the Lumber Division.

Very truly yours,

S.H. Cross

S. H. Cross,
Liason Officer.

(Voluntary Report)

Office of Economic Adv
OCT 9 1926
DEPARTMENT OF STATE

DEPARTMENT OF STATE
1926
DIVISION OF
NEAR EASTERN AFFAIRS

Strictly Confidential
File

Instr to Alexandria
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883.77/36

## RESULT OF OPERATION OF THE EGYPTIAN DELTA LIGHT RAILWAYS FROM APRIL 1, 1925, TO MARCH 31, 1926.

From: Joseph I. Touchette, American Vice Consul in Charge.
Alexandria, Date of Preparation: August 9, 1926.
Egypt. Date of Mailing : August 10, 1926.

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GENERAL

The offices of the Egyptian Delta Light Railways, Limited, in Egypt are at 15 Rue de la Gare du Caire, Alexandria, with the Board of Directors at Old Broadstreet, London, England. The stock of this firm is held and controlled by British subjects. The system is about 866 kilometers ( 538 miles ) in length, gauge 0.75 meters ( 29½ inches ), single line, and embraces the greater part of the Egyptian Delta, especially the provinces of El Beheira, El Gharbiya, El Qalyubiya, El Daqahliya and El Sharquiya. The agent and general manager in Egypt is Colonel Marryat. The Chairman of the Board of Directors at London is Sir Montagu Sharpe. The other directors elected for the present year are as follows: Mr. E.W.P. Foster, Mr. F.G. Bonham Carter, and Field Marshall Lord Allenby, who replaces Sir William Garstin now deceased, and whose knowledge of

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of Egypt gained during eight years while High Commissioner there will be of great benefit to the company and assistance to his colleagues.

The operating year from April 1, 1925 to March 31, 1926 shows a steady progress towards financial stability for which the company has been working during the past. Both coaching and goods traffics show satisfactory improvement. The principal difficulties with which the company had to contend were the heavy fall in the price of cotton, and motor-car and water competition. The fall in cotton prices of some $12 per kantar ( one kantar equals approximately 100 lbs.) had the inevitable effect of creating a scarcity of money in the provinces, which in turn affected the travelling public and consequently coaching receipts.

"SENTINEL" TRACTORS-A SUCCESSFUL EXPERIMENT.

During 1925 the Egyptian Delta Light Railway held a meeting in order to debate and decide some policy concerning the motor car competition and to the improvement of the public highways in Egypt which fosters it. It was decided to introduce rail motors to meet this competition by running a more frequent and economical service, and "Sentinel" tractors had been adopted as being the type best suited to meet requirements. Twelve of these were shipped to Egypt, the intention being, if they proved a success, to increase the numbers. The results of the experiment have borne out anticipations, and, notwithstanding the improved public roads and competition of motor-cars, and the shortage of money in the hands of the fellaheen, the company carried some 1,288,918 more passengers than during the previous year, which according to the general manager in Egypt is undoubtedly due to the introduction of a more frequent service, which was rendered possible by the twelve new "Sentinel tractors from England. With so few of these tractors, it has only been possible at present to institute their service over small sections of the system--namely, in the Behera district, where four tractors are running, in the Eastern district, with eight tractors, and in the Gharbieh district, with two tractors. The agent and general manager reports that where these tractors are being run in the Eastern district the company is holding its own with the passenger steamers. In the Behera province the advent of the tractors is badly hitting the road motor service but, in order to effect this the railway has been forced to cut rates, in one section to as low as the pre-war level. An order has now been placed with the "Sentinel" Waggon Works, Ltd., for 24 tractors, which should have been ready for shipment by August 1926 but the coal strike will delay delivery though they may be in service in time for the busy season, which begins in October 1926.

## TRAFFIC RECEIPTS.

During the year under review the Egyptian Delta Light Railway carried 7,968,584 passengers, as compared with 6,679,666 during the previous year, and gross receipts from this source were LE 231,595, as compared with LE 227,632 an increase of LE 3,963. Goods traffic also improved, the total lifted being 582,158 tons, an increase of 51,941 tons, the gross receipts being LE 129,247 against LE 128,610, an increase of LE 637. The principal increases were in building materials, coal, coke and manures. The tonnage of cotton carried shows a decrease, for, though the crop was larger than that of the previous year, the fall in the price resulted in its slower movement from the interior, which means that a larger proportion was conveyed by water and road transport. There is a considerable amount of cotton still stored in the villages. The final result is that gross earnings for the year amounted to £E 396,335, as compared with £E 364,557 for the previous year, an increase of £E 4,778.

## EXPENDITURE.

The debit side of the revenue account shows that an expenditure of £E 265,192, as against £E 249,401 last year, an increase of £E 15,791. This is mainly accounted for by increases under the heads of "Maintenance of works and ways," £E 11,000 odd, and "Locomotive," £E 4,000 odd. With regard to the former, necessary permanent way improvements accounted for £E 3,000 odd, and the balance of £E 8,000 odd is due to writing off capital account certain derelict sets which remained on the sites of the lines ripped up during the war. When it was definitely decided not to relay certain sections of these lines it was not considered sound finance any longer to carry the items written off as assets in the balance-sheet. The increased expenditure in the locomotive department is directly accounted for by the augmented train service, that is, in running expenses, coal, oil and water installations.

## FINANCIAL POLICY.

An analysis of the balance-sheet shows that the company has available for purposes of capital expenditure only the comparatively small sum of £E 85,000 odd taking into account all reserve funds and the balance on revenue account, after payment of the dividend, in other words, capital proper is considerably overexpended, and a large proportion of reserves is also invested in the line. Commitments to date, April 1, 1926 which include the construction of the Dessouk to Berreyit el Asseifar extension, the relaying of remunerative sections of lines which were dismantled during the war, and other small extensions which the Egyptian Government will probably require to be built, also the purchase of more "Sentinel" tractors and additional rolling stock to meet the increased traffic demand, amount approximately to £ 150,000, which, as the company has no hopes of being able to raise new capital in the immediate future, must be met, after expenditure of the balance above referred to and after allowing for material in hand, from current revenues. Calculations have been made, and, on a conservative basis, making no allowance for the improvement from the new tractor service, or for the increased revenue which it is estimated will be derived from the construction of the new lines contemplated, it is believed that these commitments can be met during the next three or four years from revenue and still allow of the payment of dividends to the shareholders. This is, of course, only an estimate, which depends entirely on traffic receipts.

### SYMPATHETIC ATTITUDE OF EGYPTIAN GOVERNMENT.

A large proportion of this expenditure is being incurred at the instigation of the Egyptian Government, and although the company would have preferred to have delayed a great deal of it until its financial position was stronger, on the other hand the new lines to be constructed will be remunerative. The Egyptian Government sanctioned the fixed percentage allowed under the concession for working expenses, an increase from 64 per cent to 70 per cent for a period of three years from April 1, 1925. This sanction is part and parcel of the arrangement for the construction of the new lines. The Egyptian Government will be again approached in good time before the termination of the three years referred to for a continuation of this sanction. The L.E. 20,000 balance of the purchase of the Cairo Heluan Railway has now been paid by the Egyptian Government. After having made allowance for all fixed charges, Government's share of profits, provision for income-tax, etc., as set out on the debit side of the account, and after deducting the balance of £ 39,178 0s. 4d. brought in from last year's accounts from the £ 97,080 19s. 1d. shown as carried forward at 31st March this year an amount of £ 57,902 18s. 9d. remains, the Board of Directors decided to transfer to general reserve an amount of £ 10,000 towards the capital expenditure already referred and recommend that a dividend of 4½ per cent be declared on the Five and one half per cent Cumulative Preference share capital, which will absorb £ 46,835 2s., leaving a sum of £ 1,067 16s. 9d. of the actual net revenue of the year. This balance, with the amount of £ 39,178 0s. 4d. brought into the account, gives a total of £ 40,245 17s. 1d. to be carried forward.

Respectfully submitted,

Joseph I. Touchette

Joseph I. Touchette,
American Vice Consul in Charge.

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## EXTENSION OF MAIN RAILROAD LINE TO ASSOUAN FROM LUXOR

FROM: Consul North Winship, American Consulate, Cairo, Egypt.

DATE OF PREPARATION: October 30, 1926.

DATE OF MAILING: November 1, 1926.

SOURCE OF INFORMATION: Egyptian Gazette, Railroad Schedule and Sudan Agency.

Up to the present time the railroad line connecting Assouan with Luxor was a poorly ballasted narrow-gage line, which made it necessary for passengers to change cars at Luxor from a comfortable European train with sleeping and dining cars to a small day train.

The trip from Luxor to Assouan of 130 miles was slow and dusty and took seven and one half hours when running on schedule, aside from the time required for changing cars at Luxor.

Work on the building of a proper road-bed and widening the gage to the Egyptian standard of 4 feet, 8 1/2 inches was commenced last winter and is now nearing completion.

Beginning November 1st trains will have regular schedules from Cairo to Assouan direct, covering the 548 miles in seventeen and one half hours instead of twenty-one and one half hours as at the present time. This shortens the journey by four hours: The trip from Cairo to Luxor of 418 miles will still take twelve and three quarters hours, the stop in Luxor will be reduced by one hour, and the journey of 130 miles from Luxor to Assouan will be reduced by three hours.

Regular trains and de luxe trains now on the Cairo-Luxor run will cover the Cairo-Luxor-Assouan run and greatly simplify and facilitate travel to and from the South. This improvement in schedule will lead, in the near future, to a change in December in the Assouan (Shellal) to Khartoum boat and train service, by which the journey from Cairo to Khartoum will be reduced by three hours.

The standard gage line from Assouan to Shellal (seven miles) will be completed December 1st. Shellal is the southern terminus of the Egyptian railway system. From this point connection with the Sudan Government Railways northern terminus, Halfa, is made by Government Nile steamers.

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## SUDAN RAILROAD DEVELOPMENT.

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From Alfred Nutting, Clerk in the American Consulate-General,
London, England.
Date of preparation: March 26th, 1927.
" " mailing: March 29th, 1927.

Approved. Horace Lee Washington
Horace Lee Washington,
American Consul-General.

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A further stage in the development of the resources of the Sudan is the Kassala-Gedaref railroad extension, work on which is about to be started by the Sudan Government. The extension, which may later be prolonged to Makwar to join up with the El Obeid-Khartum line, is a commercially strategic line, with a double importance for the Sudan.

At present a single line track from Port Sudan, the direct outlet to the sea, is the only link, by way of Atbara, Khartum and El Obeid, with the produce of the interior. As the schemes for the material development of the country have progressed the line has had to cope with an ever increasing import and export traffic, the former consisting of the material required for the incidental new works, the latter in the shape of cotton, gum, crushed nuts, etc.

To double the present track from Khartum to Port Sudan, apart from its cost, would be in the nature of a luxury when there are great tracts of potentially valuable country to the south which call for money to develop them. Therefore the Government has decided on the Kassala-Gedaref extension as a first step towards the solution of its railroad problem.

The two heaviest loads which the Sudan Government railroads have to carry are cotton and gum. The Khartum-Port Sudan track is the most convenient for the export of cotton. The main producing areas of gum, however, are in Kordofan, with El Obeid as the center of trade, and the south west corner of Kassala Province, with centers at Gedaref and Gallabat. Hitherto the whole weight of the transport of gum has fallen on the Khartum-Port Sudan line. The El Obeid crop has gone right through and the Kassala production has been transported by the two rivers, the Bahad and the Dinder, and by road, camel borne.

The new extension will enable the latter at least to be diverted to the shorter abd easier route of the Kassala railroad; and when conditions warrant the prolongation of the line to Makwar, it will be possible also for the El Obeid output to be carried to Port Sudan by Kassala, thus relieving the overburdened Khartum-Port Sudan line.

An important point will be the opening up of the zone through which the extension will pass. It was a thickly populated, thriving district a hundred years ago; now it is almost deserted. The revival of agriculture which will follow more convenient communications and an increase of population will affect the whole of the Sudan. The Gedaref district has a comparatively good rainfall. Durra used to be grown prolifically. The opening up should result not only in the production of cotton for sale, but aid in making the Sudan self-supporting in as far as the necessities of life are concerned. Durra is the staple food of the Sudanese, and the beneficial results of the development of food supplies within the country are apparent. At the moment one of the chief responsibilities of the Sudan Government is to preserve a balance between the paying cultivation of cotton, and the invisible asset of the production of foodstuffs for home consumption. (London "Financial Times".)

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Alfred Nutting

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AN.,AN.

Alfred Nutting,
Clerk, American Consulate-General,
London, England.

Central File: Decimal File 883.77, Internal Affairs Of States, Egypt, Railway. Concessions. Construction. Equipment., October 19, 1912 - March 29th, 1927. October 19, 1912 - March 29, 1927. MS Egypt: Records of the U.S. Department of State, 1853-1962: Records of the Department of State Relating to Internal Affairs of Egypt, 1910-1929. National Archives (United States). Archives Unbound, link.gale.com/apps/doc/SC5111776685/GDSC?u=uagm&sid=GDSC&xid=84f47a4f&pg=23. Accessed 8 May 2021.